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USSR ENVOY SUMMONED ON GORBACHEV SPEECH

OW011213 Tokyo KYODO in English 1204 GMT 1 Aug 86

[Text] Tokyo, Aug. 1 KYODO -- Japan reminded the Soviet Union anew Friday that its policy of concluding a bilateral peace treaty after a settlement of the northern territorial issue remains unchanged. Takehiko Nishiyama, director general of the ministry's European and Oceanic Affairs Bureau, summoned Soviet Ambassador to Japan Nikolay Solovyev and relayed the Tokyo government's views on a speech Soviet leader Mikhail Gorbachev made at Vladivostok Monday.

In the speech, Gorbachev announced that six Soviet regiments will be pulled out of Afghanistan before the end of the year. He also said Japan and the Soviet Union should deepen their relations on a sound and realistic footing in a quiet atmosphere free from the past problems.

Foreign Ministry officials quoted Washington as telling Solovyev that Japan's unchanged policy is to settle the northern territorial issue first and then conclude a peace treaty. Japan has been trying to regain the four small islands off Hokkaido that have been under Soviet occupation since the end of World War II in 1945. Nishiyama also reportedly told the envoy that Japan's view differs from that of the Soviet Union which appears to be interested in promoting bilateral relations in the economic field.

The director general was quoted as saying that Gorbachev lacked in proper understanding of the present situation in Japan, as the Soviet leader claimed Japan was reducing its policy of not introducing, manufacturing and possessing nuclear weapons to a mere form and without any substance and that Japan was forming military alliance with South Korea and the United States. However, Nishiyama reportedly said that Japan welcomed Gorbachev stance of attaching importance to Japan. He also relayed Japan's favorable reaction to Gorbachev's desire to visit Japan. Nishiyama said it would be desirable for Gorbachev to visit Japan at an early date so that he will have correct perception of Japan.

The Soviet ambassador was reported to have replied that Japan's rebuttals to the Gorbachev statement were based on speculation and asked that the Tokyo government make judgment from the actual remarks the Soviet Communist Party chief made.

USSR ENVOY PAYS COURTESY CALL ON KURANARI

OW050515 Tokyo KYODO in English 0413 GMT 5 Aug 86

[Text] Tokyo, Aug. 5 KYODO -- Foreign Minister Tadashi Kuranari suggested to Soviet ambassador to Tokyo Nikolay Solovyev Tuesday that Soviet leader Mikhail Gorbachev should visit Japan this year or by the end of next January, a Foreign Ministry official said. Kuranari also told Solovyev that he would like to meet with his Soviet counterpart, Eduard Shevardnadze, in New York when he attends a United Nations General Assembly meeting in September, the official said. Solovyev, making a courtesy call on Kuranari, said he would convey the requests to his home government.

During the 40-minute meeting, Kuranari said Japan has hopes a Gorbachev visit will be the beginning of reciprocal visits by top leaders of Japan and the Soviet Union, as referred to in Gorbachev's June 16 letter to Prime Minister Yasuhiro Nakasone and in his recent speech in Vladivostok, the official said. Kuranari told Solovyev Gorbachev should visit Japan first, before Nakasone goes to Moscow, the official said.

Solovyev told Kuranari it is important to realize reciprocal visits and produce results although the question of whether the first visit is made by Gorbachev or Nakasone is also important.

The foreign minister said Japan hopes to improve relations with the Soviet Union but there are "problems" hindering bilateral ties, alluding to the territorial dispute over four Soviet-held islands off northern Japan. Kuranari called for efforts on both sides to solve these problems as early as possible, the official said.

Solovyev said the Japan-Soviet relations have been improving since Nakasone visited Moscow in March last year and Kremlin now attaches importance to ties with Japan, the official said. Better relations between Japan and the Soviet Union, the Soviet envoy said, will also improve relations among Asia and Pacific nations.

1986 Gorbachev Visit Unlikely

OW050927 Tokyo KYODO in English 0921 GMT 5 Aug 86

[Text] Tokyo, Aug. 5 KYODO -- Soviet leader Mikhail Gorbachev is not likely to visit Japan this year, a senior government official said Tuesday. The official, who was speaking on condition of anonymity, was commenting on a proposal made by Foreign Minister Tadashi Kuranari earlier in the day that Gorbachev come to Japan either by this year end or next January.

The official said Gorbachev is unlikely to make his Japan trip this year as there are strong indications that the United States and the Soviet Union may hold a summit meeting before the end of the year. If Gorbachev is to come to Japan, the earliest possible date would be January, the official said. He also said he believes Moscow is aware that the next summit meeting between Japan and the Soviet Union should take place in Japan.

SOURCES SAY PRC TO HOST SPACE STUDIES FORUM

OW020253 Tokyo KYODO in English 0239 GMT 2 Aug 86

[Text] Tokyo, Aug. 2 KYODO -- China, Japan and the United States will hold a joint meeting on space studies in Beijing June 7-10 next year, according to a government source. This is the first time that China has invited a large group of foreign experts on space development, which is closely linked with the military, the sources said.

China will arrange for forum participants to inspect the Xichang rocket launching site in Sichuan Province and the Xian satellite tracking control center in Shaanxi Province, both closed so far to foreigners. Politicians will hold parallel discussions while the space scientists meet, the sources said. Australia, Canada and Indonesia, which are also doing space development research, will be invited to the Beijing space study forum too, the sources said.

The forum will be backed by the Chinese State Scientific and Technological Commission. But it will be jointly sponsored by private organizations of the three countries -- the Japan Rocket Society, the American Aeronautics Society and the China Space Association -- in consideration of the possible impact on the European Space Agency and the Soviet Union, the sources said.

Tatsuo Yamanaka, vice president of the Japan Rocket Society, visited Beijing in mid-July to discuss plans for the meeting and decide seven agenda items, including (1) satellite telecommunications and development of remote sensing technology in the Pacific area (2) space station research in the Pacific area and (3) development of the next generation rockets for launching satellites.

The Beijing space forum is expected to be attended by Chinese Vice Premier Li Peng and Song Jian, minister of the state scientific and technological commission, the source said. Influential U.S. congressmen on space development policy are also expected to join the forum, and Japan should therefore send senior political figures to it, the source said.

SEMICONDUCTOR MAKERS SIGN TRADE ACCORD WITH U.S.

OW020337 Tokyo KYODO in English 0328 GMT 2 Jul 86

[Text] Tokyo, Aug 2 KYODO -- Seven major Japanese semiconductor makers and one Japanese subsidiary of a U.S. firm signed a formal agreement Friday (Washington time) with the U.S. Department of Commerce under which the U.S. will suspend its investigation into alleged dumping by the companies of dynamic random access memory (DRAM) chips with a memory capacity of 256 kilobits and above, the Ministry of International Trade and Industry said Saturday. The signing of the accord followed a final agreement on semiconductor trade reached Thursday between the two governments.

The seven Japanese manufacturers are NEC Corp., Toshiba Corp., Hitachi Ltd., Mitsubishi Electric Corp., Fujitsu Ltd., Oki Electric Industry Co., and Matsushita Electronics Corp. the U.S. subsidiary is Texas Instruments Japan Corp.

Thursday's Japan-U.S. agreement, aimed at expanding the share of U.S. chipmakers in the Japanese market, called for formal signing of two agreements between Japanese chipmakers and the U.S. Commerce Department as a major condition for the validation of the bilateral accord. On Thursday, the eight Japanese producers and the U.S. department signed a similar agreement involving erasable-programmable read-only memory (EPROM) chips. In exchange for the suspension of the dumping investigations, the chipmakers are required to submit cost-accounting data to the U.S. Commerce Department quarterly.

FUJIO BLAMES U.S. POLICY FOR 'YASUKUNI ALLERGY'

OW050354 Tokyo KYODO in English 0334 GMT 5 Aug 86

[Text] Tokyo, Aug 5 KYODO -- Education Minister Masayuki Fujio Tuesday slammed policies imposed by the occupation authorities in Japan after World War II, which he said were responsible for the "Yasukuni allergy" among the Japanese today. Fujio said that education policies laid down during the U.S. occupation of Japan, which lasted until 1952, "has given the Japanese people the impression that official visits (by cabinet ministers) to the Yasukuni shrine would be wrong." The shrine is dedicated to Japanese war dead.

The newly installed education minister, addressing an education conference organized by religious groups in Tokyo, said that Japanese education had been twisted or distorted by occupation policies. "It's wrong to think that prewar Japan was all bad and occupation period policies were perfect," Fujio said. He stated that the number of government officials who are critical of occupation period policy is declining. "This is clearly a political problem."

Referring to the Tokyo war crimes trials, held from 1946-48, the education minister asked, "Who gave the victors the right to judge the losers?" He added, "the time has arrived to review the facts in light of international moral principles."

Fujio's remark on the Yasukuni shrine comes only 10 days before the annual ceremony at the shrine on August 15 marking the anniversary of the end of the Pacific war. Official visits by government leaders to the shrine, where besides Japan's war dead those convicted as war criminals during the Tokyo trials are enshrined, have drawn criticism from Japan's Asian neighbors, particularly China and South Korea.

Prime Minister Yasuhiro Nakasone, who visited the shrine in his official capacity on last year's anniversary as the first postwar government leader to do so, is debating whether or not to attend this year, according to political sources. A number of cabinet ministers are expected to make official visits to the shrine to pay their respects to the war dead.

Shortly after he assumed his cabinet post in July, Fujio was at the center of a controversy over a remark he made concerning a new Japanese history textbook, which had been criticized by China and South Korea as an attempt to gloss over or omit negative aspects of Japan's military actions in Asia before and during the war.

Although he later maintained that he had not been referring to China and South Korea in his remark, the education minister was quoted as having said July 25, "those who complain (about the textbook) should look at themselves to see if they didn't commit similar acts in world history."

DAILY URGES TALKS BETWEEN MILITARY AUTHORITIES

SK020350 Pyongyang Domestic Service in Korean 2150 GMT 1 Aug 86

[NODONG SINMUN 2 August commentary: "Talks Between Military Authorities Must Be Held"]

[Text] As is already known, the KPA Supreme Command proposed that talks be held between military authorities of our side, the United States, and South Korea to ease tension in Korea. In this regard, the Minister of People's Armed Forces on 17 June sent letters to the United States and the South Korean side respectively.

In the letters we proposed that talks be held in July and that preliminary contact between working-level representatives of the two sides be held 27 June at Panmunjom to realize the talks. However, the United States and the South Korean side rejected our proposal without giving any convincing reasons [naptukhalmanhan kungo].

In this connection, on 11 July we sent the letter calling for talks at Panmunjom, the place we promised, stressing again the need to hold talks between military authorities. However, the other side refused to receive the letter by cooking up an unjust excuse. Thus, we could only send the letter by broadcasting it. In the second letter, we again called for holding the talks between military authorities during July without fail as we proposed. We then left the date and place for preliminary contact for holding talks to the other side's discretion.

We expected an affirmative response from the other side after we sent the second letter. However, July has now passed and the United States and South Korean side have given no affirmative response to our proposals. We can only say that this is a strange thing [koeihan il] beyond our understanding.

Today nothing is more urgent on the Korean peninsula than to prevent the danger of war and ease tension. The armed forces confronting each other across the Military Demarcation Line have reached the highest number since the war, and an acute situation in which a war could break out because of a minor incident is being created in frontline areas where the armed forces of both sides face each other tensely. No one can deny the danger of war which is near at hand [paktuhan chonhaengui wihom], and the people of the world express deep concern.

We put forth various political measures to relax tension in the past. Even this year, we offered proposals to suspend large-scale military exercises and stop all military exercises while the North-South dialogue is underway. We then requested the United States and South Korean side to respond to our proposals. However, our efforts did not receive the deserved response. The alarming situation [simsangchi anun satae] in which the number of armed forces in South Korea has grown, their equipment has expanded, and military exercises have been staged against us is repeatedly taking place.

If realistic measures are not worked out to ease tension, the Korean peninsula may become a battlefield at any moment. The talks between authorities proposed by us will be the national salvation measures to prevent such a situation from developing and will maintain and consolidate peace. The United States and the South Korean side also say they want to ease tension and preserve peace on the Korean peninsula. If this is true, they have no reason to ignore our proposal.

In their reply letters of 21 and 24 June, the United States and the South Korean side said easing tension can be discussed in the MAC, noting that our proposal is related to North-South relations. However, this cannot serve as an excuse for avoiding the talks between military authorities. The MAC is an organization supervising implementation of the Armistice Agreement, as its name implies. Because the functions and authority of the MAC are so tightly limited, it cannot discuss and resolve overall issues to ease tension on the Korean peninsula. At present, the MAC cannot discuss and resolve questions within its own functions related to implementation of the armistice Agreement, to say nothing of issues outside its authority. The fact that the United States and the South Korean side held that easing tension should be discussed at the MAC is nothing but a last resort to escape responsibility for avoiding talks between military authorities and to mislead world public opinion by pretending to be interested in easing tension.

The South Korean side, which avoided military talks to ease tension and for peace and even refused to receive our second letter calling for talks, is raving about resuming dialogue while babbling about peace. This is indeed ridiculous and preposterous.

As for the suspension of North-South dialogue in many domains, which the South Korean puppets claim should be resumed, the responsibility for this rests entirely with the United States and the South Korean side, which suddenly broke [choajol] the dialogue by staging the "Team Spirit-86" joint military exercise against its dialogue partner. The dialogue has not been resumed because the South Korean side is daily staging large-scale war exercises while raving that it will continuously strengthen such joint U.S.-S. Korean military exercises as "Team Spirit" in the future and because it is aggravating tension. The South Korean puppets staged a noisy war exercise racket called "Ulchi-86" throughout South Korea the very next day after raving about the resumption of dialogue, inciting an atmosphere of confrontation and war. Does it make any sense that one can want dialogue while aiming one's rifle at the heart of one's dialogue partner?

The entire course of North-South dialogue up to now shows that the military authorities should sit together to take measures to end military exercises and ease tension before any other talks are held in our country. It is preposterous and nonsensical to rave about the resumption of dialogue while spoiling the atmosphere of dialogue with constant anticommunist confrontation and war maneuvers and while ignoring our peace proposal to take practical measures for easing tension.

Easing tension, consolidating peace, and achieving national reunification peacefully through dialogue and negotiations are the consistent position and policy of our party and the government of the republic. At the same time, this is the unanimous aspiration of all fellow countrymen and the demand of the peace-loving people of the world.

The United States and the South Korean authorities should again ponder the proposal for talks by military authorities made by the KPA Supreme Command and should immediately respond to this proposal, instead of continuously opposing the aspirations and demands of the people at home and abroad.

If they advance along the path of confrontation and war while continuously refusing to hold talks between military authorities in defiance of our repeated calls, they will be held totally responsible for the consequences arising therefrom. We will continuously watch in the future the attitude of the U.S. and South Korean authorities.

U.S. LURING SOUTH INTO SDI RESEARCH PROGRAM

SK010524 Pyongyang KCNA in English 0506 GMT 1 Aug 86

[Text] Pyongyang August 1 (KCNA) -- The aide to the U.S. president in charge of disarmament who showed up in South Korea recently spoke at what they called international scientific forum on the space defense research program, urging South Korea and other "friendly nations" to actively join in the "space defense program" of the United States. This comes under fire in NODONG SINMUN and MINJU CHOSON today. A signed commentary of NODONG SINMUN says:

He flew to South Korea and preached even a space nuclear war program at a time when the voices within the without calling for the conversion of the Korean peninsula into a nuclear-free, peace zone are ringing louder than every before. This can never be tolerated.

The U.S. imperialists built in Taegu, South Korea, an aerial electronic observation centre which will command and watch a nuclear war, as part of their "Strategic Defense Initiative." This means that the U.S. imperialists are automatically inveigling South Korea into their "star wars program" as soon as they put it forward. The commentary continues:

In case South Korea joins in the program, it will only suffer an irretrievable sacrifice, making itself a target of a nuclear war. The criminal nature of U.S. imperialism lies in that it is trying to realise its criminal global strategy at the expense of the Korean people by converting South Korea into a theatre of proxy nuclear war and the treacherous nature of the Chon Tu-hwan group lies in their scheme to impose a nuclear scourge upon the territory and the nation by serving U.S. imperialism as its servant for a nuclear war.

CPRF DENOUNCES U.S., ROK CHEMICAL WAR PREPARATIONS

SK010541 Pyongyang Domestic Service in Korean 1100 GMT 31 Jul 86

[Information No. 350 by the CPRF Secretariat, issued on 31 July in Pyongyang]

[Text] Recently, instigated by the U.S. imperialists, the South Korean puppets have become even more feverish in making preparations for a chemical war. According to foreign news reports, the traitorous Chon Tu-hwan clique has produced some 4.5 million tons of chemical weapons which can be launched through surface-to-surface missiles, 8-inch and 155-millimeter guns, and all kinds of artillery, and has deployed them in areas close to the Military Demarcation Line. In addition, at air bases in Kwangwon and Kyonggi provinces in South Korea, the clique has deployed germ weapons produced through the cultivation of various bacteria such as cholera, pest, and typhus. By doing so, it is now hatching a criminal plot to hurl them into the northern half of the republic in time of contingency, thus disturbing the rear area of the republic and killing people.

Furthermore, the U.S. imperialists and the Chon Tu-hwan puppet clique are using chemical weapons in the provocative war exercises to attack our republic. During the "Team Spirit-86" joint military exercise, they staged a large-scale chemical war exercise in the area of Mt Taebaek in Kangwon Province, South Korea. At the same time, during the "Ulchi-86" war exercise, a chemical, biological, and radiological war exercise was staged and even civilians were forced to put on gas masks and were driven forward in the war exercise commotion.

All these facts show that the chemical war preparation maneuvers sought against our people by the U.S. imperialists and the Chon Tu-hwan puppet clique are reaching a very dangerous stage.

The CPRF sternly denounces the chemical war preparation rackets, which the Chon Tu-hwan ring is staging feverishly under the U.S. imperialists' direction, and brands them as a vicious challenge to all Korean people's wish for alleviation, dialogue, and peace on the Korean peninsula add as an intolerable criminal act against the nation aimed at imposing the catastrophe of nuclear and chemical war on our nation.

At present, all Korean people and the peace-loving peoples of the world are actively supporting our steady stand and rational proposals to achieve alleviation and peace on the Korean peninsula through dialogue and negotiation.

Nonetheless, the U.S. imperialists and South Korean puppet clique are refusing our repeated peace initiatives and running amok in making preparations for nuclear and chemical war. This clearly shows that they are actually seeking confrontation and war, while they talk about dialogue and peace.

The Chon Tu-hwan ring's lunatic war preparations -- in which it is attempting to turn the land of the fatherland into a land of nuclear and chemical war and to turn compatriots into miserable victims by introducing the chemical weapons being rejected by other countries and by producing germ and chemical weapons in large quantities -- are a criminal act against the nation that can never be pardoned.

By following the U.S. imperialists' policy of war, the Chon Tu-hwan clique is trying to find a way out of its serious political crisis. However, this will only accelerate its self-destruction. Neither nuclear nor chemical weapons can rescue those who turn their backs on the people. The U.S. imperialists and the Chon Tu-hwan puppet clique must turn to the road of alleviation and peace and respond to our proposal for talks between military authorities, instead of trying to find a way out through their adventurous policy of war.

KCNA DENOUNCES 29 JUL MILITARY DRILL IN SOUTH

SK020517 Pyongyang KCNA in English 0502 GMT 2 Aug 86

[Text] Pyongyang August 2 (KCNA) -- The South Korean military fascist clique held the "general contests of night tactical technology" on July 29 with the mobilization of a puppet marine corps, according to a radio report from Seoul.

Letting out bellicose utterances that the "issue of battle is decided at night", the fascist clique incited a war fever with rifle and gun firing.

What cannot be overlooked is that the military racket was staged on the plea of "spiritual arming on the eve of the Asian Games" slated for the coming fall. It reveals that the puppets try to use the international sports games for a sinister political purpose to abuse even sports games in justifying their aggressive war exercise and this gives rise to unanimous resentment among the world's peaceloving people.

ROK REGIME SELLING NATION TO JAPAN, U.S. QUERY

SK040621 Pyongyang Domestic Service in Korean 2155 GMT 3 Aug 86

[NODONG SINMUN 4 August commentary: "Chain of Tripartite Alliance Is Being Strengthened"]

[Text] The 24th joint congress of the South Korea-Japan Cooperative Committee was held recently in Tokyo. In a so-called message to the congress, traitor Chon Tu-hwan described it as one giving priority to the trade imbalance and so forth.

However, the puppets and the Japanese reactionaries in actuality played some other games on this pretext. This is shown by the remarks of the two sides at the congress and the joint statement issued after it on the results of the meeting.

The South Korean puppets raved that South Korea and Japan are a common body sharing the same destiny and playing the leading role for security in East Asia, and are also the common strategic body. Thus, they begged for joint action between South Korea and Japan in regional security and intensification of the regional defense posture between the United States, Japan, and South Korea. The Japanese reactionaries also echoed the words of the puppets while raving about reconfirmation and so forth.

The joint action between South Korea and Japan in regional security raved about by them is none other than military collusion, and the strengthening of the U.S.-Japan-South Korea regional defense posture is the strengthening of a tripartite military alliance.

All facts prove that the congress focused on strengthening the part of South Korea and Japan in the U.S.-Japan-South Korea tripartite military alliance, following the U.S. imperialists' strategy of aggression against Asia.

Preventing war and easing tension on the Korean peninsula are one of the actual political issues of the world. At this very time, the South Korean puppets and Japanese reactionaries are conspiring to strengthen military collusion. This is another challenge to our republic and to the peace-loving countries of the world.

What we should not overlook is the pro-Japanese nature of the South Korean puppets and the Japanese reactionaries' ambition to reinvade South Korea ambitions that were more nakedly revealed during the recent congress. The South Korean puppets begged for Japan's assistance in the Asian Games and the Olympics. Thus, they could neither protest against the absurd remarks of the Japanese education minister when he preposterously distorted the history of Korea-Japan relations nor against the issue of the Japanese history textbook.

Rather, they agreed to promote joint academic research on the history of South Korea-Japan relations. This is a ridiculous act designed to conceal the history of the brigandish Japanese aggression against Korea not only at present but also in the future on the pretext of joint research and to extend their humiliating attitude toward Japan.

Even Prime Minister Nakasone, not to mention the Japanese reactionaries, promised assistance to the international games to be held in Seoul and advanced along the path of antagonism against us, while backing the puppets by ignoring the reality on the Korean peninsula. The fact that they said they express their support for the South Korean puppets' efforts to resume dialogue is a good example.

Are the Japanese reactionaries so blind as to have failed to see that North-South dialogue was suspended due to the war exercise rackets of the U.S. imperialists and the puppets and that it is in a crisis because they have continuously aggravated tension, ignoring our peace proposals?

The Japanese reactionaries used a cunning trick to resuscitate the puppets, who were driven to the corner by the people at home and abroad, and to open a road to reinvasion of South Korea by using them as a guide.

From the beginning, the South Korea-Japan Cooperative Committee has been a negotiation table for nation-selling and aggression. During the recent congress, the puppets and Japanese reactionaries have more blatantly challenged the Korean people's cause of peace and reunification.

The Korean people will never tolerate the crimes of the mean nation sellers and the cunning aggressors. The puppets and Japanese reactionaries who are dancing to the tune of the U.S. imperialists' strategy of war will not be safe.

JAPAN HARBORS 'WILD AMBITION' TO REINVADE KOREA

SK030918 Pyongyang KCNA in English 0848 GMT 3 Aug 86

[Text] Pyongyang August 3 (KCNA) -- MINJU CHOSON today denounces the evermore undisguised scheme of the Japanese reactionaries to stage a comeback to Korea. Noting that they are now zealously stepping up the moves to restore the "Monument to Japan-Korea Annexation" in Tokyo to its original state, the commentary says:

The "monument" was a product of the Japanese imperialists' policy of Korean aggression which was built in Tokyo upon the lapse of 25 years since their occupation of Korea. The scheme to restore it fully proves that the Japanese reactionaries who are battered beyond measure militarily and economically mean to realise their wild ambition to reinvade Korea at any cost. Their moves in crying again the slogan of "Korea-Japan annexation" are all the more dangerous because they coincide with their overseas expansion scheme.

Hirobumi Ito, the mastermind of "Korea-Japan annexation", met his miserable end in a foreign land and Tojo, the chieftain of aggression, was brought to stern judgement by history. This must be a serious lesson to Japan. To forget this is tantamount to following in their footsteps. The Japanese reactionaries would better act with discretion, drawing a proper lesson from their bitter defeat in the past.

NODONG SINMUN ON INCREASING 3 AUG CONSUMER GOODS

SK030706 Pyongyang Domestic Service in Korean 2137 GMT 1 Aug 86

[NODONG SINMUN 2 August editorial: "Let Us Constantly Increase Production of the 3 August People's Consumer Goods"]

[Text] It has been 2 years since our party began the struggle to produce the 3 August people's consumer goods. Great success has been achieved in producing the 3 August people's consumer goods during this period, thus giving much help to the people's living.

Over the 2 years since the party's measure to drastically increase production of the people's consumer goods in a popular manner was taken, production of 3 August people's consumer goods has increased several times and variety has further increased by tens of thousands of kinds in Pyongyang alone. As a result, 3 August people's consumer goods accounted for 23.1 percent of industrial product sales during the first half of this year. Also, many plants and enterprises have been able to meet the living expenses of their employees with the money earned by producing 3 August people's consumer goods.

The fact that this success was achieved only by mobilizing reserves without state investment is a fact worthy of genuine pride. This shows how just and greatly vital the party's measure to produce the 3 August people's consumer goods in a popular manner is, and confirms that when the party's policy is upheld and work is carried out as directed by the party, any miracle can be achieved.

When he gave working guidance to the work of the 3 August people's consumer goods direct-sales stores in Pyongyang, the dear Comrade Kim Chong-il recently highly appraised success attained in producing the 3 August people's consumer goods and elucidating the question of continuously expanding and developing the success. All cities, counties, and districts should effect a new turn in the work of producing 3 August people's consumer goods by making the most of success and experience which have already been attained in producing consumer goods. Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: Daily necessities should be produced not only by special plants but also by many fields of the national economy.

The people's demand for consumer goods is constantly increasing. To smoothly meet this demand, our party pays deep attention to producing 3 August people's consumer goods. By steadily waging the struggle to increase production of the 3 August people's consumer goods while upholding the party's intention, our functionaries and workers should make the party's measure display greater vitality and the people's living more affluent.

What is important in increasing production of the 3 August people's consumer goods is to mobilize the masses and help more people participate in this work with great zeal. The struggle to produce 3 August people's consumer goods is masses-oriented work in which a broad range of the masses should participate. Therefore, the cities, counties, and districts should help the people correctly recognize that this is honorable work designed to provide better living conditions for the people so they will voluntarily participate in this work with interest.

To this end, functionaries should be mobilized first. In such model districts as the Pyongchon District, every functionary of the plants and enterprises, as well as the district functionaries, are mobilized with interest in producing the 3 August people's consumer goods and are vigorously leading the masses. Every city, county, and district functionary should assume responsibility for the production of 3 August people's consumer goods, directly organize this production struggle, and mobilize the functionaries of plants, enterprises, and cooperative farms.

There must be a correct methodology to mobilize the masses. The masses are not moved by just having tasks assigned them and demands made of them. Every functionary should strengthen the work of explanation and propaganda and, at the same time, properly organize diverse programs -- such as prize contests, exhibitions, and (?competitions) to produce trial products, and meetings to discuss experiences -- and have everyone take part in these programs. Thus, the masses should be awakened and mobilized along this course.

A good job must be done to stimulate the will of producers of the people's consumer goods to produce. Our party has undertaken a series of measures to get a broad range of the masses to participate in producing people's consumer goods.

Functionaries in concerned sectors should further stimulate in more people the will to produce by providing them with everything they may need by such methods as establishing reasonable regulations and correct guidance for them to agree on prices in order to induce more people to participate in producing the people's consumer goods and displaying their creativity.

The struggle for the 3 August people's consumer goods requires that everyone work with the mettle of meticulous housekeeping in a manner worthy of the master. Production of the 3 August people's consumer goods begins with finding reserves. Aside from the mettle of meticulous housekeeping, it is inconceivable to expect any success in effectively mobilizing and utilizing waste materials and facilities and various other production reserves.

Our functionaries and working people should see and treat all things as would a true, meticulous housekeeper, considering even a single item of byproduct, waste material, or equipment too precious to throw away, and should find effective ways to use it.

Party organizations at all levels encourage functionaries and working people to open their eyes to the consciousness worthy of a master and to foster consciousness by strengthening political work among the masses and make them emulate examples set by people who are trying to locate more production reserves by encouraging them.

In particular, cities, counties, and districts should see that none of the waste materials and facilities are thrown away by transferring things that are not used in their units to other units and broadly organizing cooperative production.

The problem of production of the 3 August people's consumer goods -- by which even raw materials, materials, and facilities should be solved by mobilizing reserves -- requires functionaries to use their brains and demonstrates meticulous workmanship more than in any other work.

All of the functionaries of the party, administrative, and economic institutions in all cities, counties, and district should locate more reserves of raw materials, materials, machines, and tools and effectively use them by going deep among the masses to stir them up and by coordinating economic management meticulously.

One of the important tasks in increasing production of the 3 August people's consumer goods is to push ahead with this work tenaciously. Since the goal of producing the 3 August people's consumer goods is to more smoothly meet the material and cultural demands of the people, which grow higher with each passing day, it is demanded that the struggle to increase the quantity of goods and their variety and to raise their quality be staged without interruption.

This being the case, functionaries working in this sector should have the mettle to push ahead with implementing the party's policy in a relaxed manner, while maintaining greater consistency than anyone else. Since production of the 3 August people's consumer goods is being pushed ahead with the cities and counties as units, it is important for the party organizations and functionaries in the cities and counties to adhere to this work and tenaciously press forward.

Of course, there can be differences in conditions depending on districts.

However, as has been observed in the case of functionaries of the Nangnang District who have been successful despite unfavorable circumstances, districts that accept the party's demands sincerely and tenaciously press forward have gained conspicuous successes.

All party organizations and functionaries in the cities, counties, and districts should see to it that the party's intentions continue to come to brilliant fruit by adhering to and forcefully pushing ahead with production of the 3 August people's consumer goods in line with the masters charged with implementing the party's policy.

It is important to increase the role of the responsible functionaries of the party, administrative, and economic institutions in the cities, counties, and districts. Responsible functionaries in the cities, counties, and districts bear the duty to responsibly care for the people's lives.

An examination of such advanced units as Tongdaewon, Songyo, and Mangyongdae Districts shows that responsible functionaries of the party, administrative, and economic institutions are adhering to and tenaciously pushing ahead with production of the 3 August people's consumer goods.

Our party demands that responsible functionaries of the party, administrative, and economic institutions in the cities, counties, and districts vigorously push ahead with producing the 3 August people's consumer goods and the work of the direct sales shop by paying great attention to them.

Responsible functionaries in the cities, counties, and districts should tenaciously and substantially advance in their work by deeply realizing that the amount they can increase production of the 3 August people's consumer goods translates at once into the yardstick of their loyalty to the party and their concern for the people. In this way, they should see a change in the production of the people's consumer goods.

KIM TAE-CHUNG PLACED UNDER HOUSE ARREST

HK050242 Hong Kong AFP in English 0227 GMT 5 Aug 86

[Text] Seoul, Aug 5 (AFP) -- South Korean opposition leader Kim Tae-Chung was placed under house arrest Tuesday to bar him from attending a summer-camp rally organized by his dissident political group, his aides said. Some 300 members of his dissident organization, the Council for Promotion of Democracy, came by buses to his home in western Seoul to protest against the house arrest and stage a sit-in, witnesses said. But they left for the camp site after the 60-year-old opposition politician emerged from the house, which was surrounded by police, and urged them to end the protest.

It was the 29th time Mr Kim had been placed under house arrest since he returned home from two years of voluntary exile in the United States in February 1985 to lead a campaign for democratic reform. The authorities say such moves are designed to prevent him from breaking the law and being returned to prison. He has been forbidden to engage in politics because of his 1980 conviction and 20-year prison sentence on sedition charges.

Mr Kim was narrowly defeated for the presidency by the late Pak Chung-Hee in 1971. He makes no secret of his intention to run again if an election is held by popular vote next year under constitutional changes to be worked out by a bipartisan parliamentary committee.

STUDENT DEMONSTRATORS CLASH WITH POLICE

SK050018 Seoul THE KOREA TIMES in English 5 Aug 86 p 8

[Text] Violent demonstrations were staged by students launching a surprise attack at a police box and setting fire to a police escort car on streets in the outskirts of Seoul over the weekend.

According to a police report yesterday, the demonstrators hurled incendiary bottles and stones toward police forces who fired tear gas bombs.

About 20 combat policemen were reported injured, some seriously, in the clash with the demonstrators.

Noting that the wild demonstrations were staged over the weekend during the summer vacation, the Seoul Metropolitan Police Headquarters [MPH] instructed the police stations to reinforce security around foreign embassies, offices of foreign organizations and public installations.

The MPH focused its attention on the possibility of more violent demonstrations by students in the days ahead to disturb the Asian Games and to create an campus climate supporting the efforts of radical activist students.

About 300 students from Korea, Songgyungwan, Hanyang and 14 other universities waged street protests in Sanggye-dong for one hour beginning at 5 p.m., Sunday, chanting anti-government slogans and distributing anti-government leaflets.

Braving a strong police defense, some 150 students rushed toward the police box in Sanggye-dong and shattered windows and destroyed some interior facilities by throwing stones and incendiary bottles.

Four policemen, including Om Chae-yong, 21, were injured in the exchange of bombs and stones.

Students were learned to have gathered in Sanggye-dong after getting information about the demonstration from leaflets posted on walls in washrooms and in libraries at the universities.

Sixty-three students, including 12 Hanyang and nine Songgyungwan students, were taken by police for investigation.

A police car was burned Saturday evening when about 300 students from universities in Seoul staged demonstrations on streets in Kaebong-dong for 30 minutes.

Chong Chan-ki, 41, a policeman at Kuro Police Station, and 19 others were injured in the protests.

NO DISCUSSES PARTY POLITICAL STRATEGIES

SK050028 Seoul THE KOREA TIMES in English 5 Aug 86 p 4

[Text] Chairman No Tae-u of the ruling DJP attached unusual importance to the month of August in political aspects, during a weekly meeting of leading party officials yesterday.

He told the party officials, "We will have to finalize our draft amendment to the Constitution within this month and should also work out programs to give shape to the results of the camping rally at Mt. Togyu."

"So, we have to keep in mind that the people's concern and expectation are concentrated on our party," he said.

No also asked them to "cope effectively with possible political offensives from the opposition camp" while the five House standing committees are in session this week.

He warned of the possibility that the panel sessions might be capitalized on as a forum for the opposition camp's "political propaganda."

The DJP chairman particularly told party officials to closely cooperate with the administration about the recent U.S. pressure to appreciate the value of Korean currency won against the U.S. dollar.

He observed that a hike of the won's value against the greenback may deal a decisive blow to the nation's exports which are now taking a favorable turn and improving the balance of international payments.

CHAWALIT DENIES HELPING FORM COALITION

BK050129 Bangkok THE NATION in English 5 Aug 86 p 1

[Text] Army Commander-in-Chief Gen Chawalit Yongchaiyut yesterday denied reports that he played a role in forming the coalition to be led by Premier Prem Tinsulanon.

"It's not true," he said when asked by reporters at the Parliament about the reports that he had coordinated among the parties which will form the coalition.

And when further asked whether the new coalition is taking shape, he replied: "I don't know."

Chawalit also said that there was nothing special about his meeting with Young Turk officer Col Prachak Sawangchit who called on him Sunday. "I didn't tell him to do anything. I only urged him to be a good politician," he said.

Prachak said that he had told Chawalit of the increasing opposition to Prem Tinsulanon's nomination as premier.

Chawalit has repeatedly declared that the army will not interfere in politics.

PHICHAI ON 'PLOT' TO BLOCK PREM REAPPOINTMENT

BK050125 Bangkok THE NATION in English 5 Aug 86 p 3

[Excerpts] Democrat leader Phichai Rattakun yesterday revealed a plot by a political party to block Prem Tinsulanon's reappointment as premier by nominating him for the post instead. But Phichai said he immediately rejected the offer.

Meanwhile, Maj Gen Praman Adireksan, the chairman of the Chat Thai Party's advisory board, yesterday backed down from his stand against Prem saying that he will comply with his party's decision on the question of the premiership.

Phichai disclosed the anti-Prem move, purportedly masterminded by the United Democratic Party [UDP] leader Buntheng Thongsawat, during a meeting of the Democrats yesterday, according to Democrat sources.

The meeting of 99 Democrat MPs at the party head office also voted 74-22 to nominate deputy leader Chaun Likphai as House speaker. [passage omitted]

The sources said that Phichai's statement on UDP leader Buntheng's plot to sound out the MPs' opinions on the next prime minister touched off criticism from some Democrats.

Informed sources said that the opponents to Gen. Prem's nomination to premiership had approached Phichai and offered to back him as prime minister during the first chairmanship of Buntheng in his capacity as the seniormost MP in the new House.

The anti-Prem MPs have also approached splinter and medium-sized parties for their support for the proposal to nominate Phichai in the first House session. [passage omitted]

LOWER HOUSE ELECTS SPEAKER DESPITE WALKOUT

BF041258 Bangkok Domestic Service in Thai 1200 GMT 4 Aug 86

[Text] The first ordinary session of the House of Representatives was held at 1640 today at the National Assembly. Miss Bang-on Im-ocha, secretary general of the National Assembly, invited Buntheng Thongsawat, United Democratic Party MP from Lampang Province, as the oldest MP at the meeting, to act as temporary chairman. The chairman opened the meeting and invited the MP's to take an oath of allegiance.

A number of MP's then proposed a postponement of the selection of the house speaker and deputy speakers until tomorrow, but another group of MP's insisted that the selections be made today. The chairman disagreed with the meeting being held today and staged a walkout together with a number of MP's. Since a quorum still remained, the meeting continued, and Air Chief Marshal Sitthi Sawetsila, Social Action Party MP from Bangkok, who is the second oldest MP, was invited to take over as temporary chairman. The meeting then proceeded to elect the house speaker and deputy speakers.

The results are as follow: Chuan Likphai, Democrat Party MP from Trang Province, was elected house speaker; Chumphon Sinlapa-acha, Chat-Thai Party MP from Suphan Buri Province, was elected first deputy house speaker; and Mai Sirinawakun, Social Action Party MP from Kalasin Province, was elected second deputy speaker. The meeting adjourned at 1725.

MP's Want Election Nullified

BK050119 Bangkok BANGKOK POST in English 5 Aug 86 pp 1, 3

[Text] Parliamentary secretary general Bang-on Im-ocha was heavily criticised for her handling of the House proceedings yesterday which many MPs said should be declared null and void.

Former House Speaker and Progressive Party leader Uthai Phimchaichon said yesterday's elections of the House Speaker and deputies should be nullified because the acting chairman of the meeting, United Democratic Party [UDP] leader Buntheng Thongsawat, had already ordered it adjourned until next week.

Mr Buntheng was chosen to chair the Lower House meeting yesterday because he is the most senior MP.

Mr Uthai said he did not question Mr Buntheng's motive for ordering the adjournment and on principle Mr. Buntheng's decision should have been respected because he had full authority over the meeting.

"Mr Buntheng had exercised his authority by ordering the meeting adjourned, so on principle the meeting was terminated. The meeting (which continued under the chairmanship of Social Action Party leader ACM [Air Chief Marshal] Sitthi Sawetsila), therefore, could not be right and should be nullified," Mr Uthai said.

Suam Thai Party leader Narong Wongwan said the problem in the House yesterday was unprecedented and should be considered "irregular".

"Legal experts should interpret if it is in conformity with the law," he said.

Former Deputy House Speaker and Ruam Thai Party Secretary-General Piyanat Watcharaphon said Miss Bang-on had no authority to direct the meeting after Mr Buntheng left his seat.

He said that under the meeting Regulation No. 10 the parliamentary secretary general was in charge of setting Parliament's meeting agenda and other administrative duties. "So what right has she to direct the meeting to go on when it was already ordered closed by the chairman (Mr Buntheng)?"

Mr Piyanat said the Regulation No. 18 cited by Miss Bang-on to continue the Lower House meeting was applicable only in case the meeting had not elected a chairman.

Regulation No. 18 gives authority to the MPs to appoint the most senior member of the House of Representatives to chair the meeting in the absence of the chairman to elect the House Speaker and his deputies.

Since the chairman (Mr Buntheng) had already been appointed, the parliamentary secretary general had no more duty in the meeting, Mr Piyanat reasoned.

Community Action Party leader Bunchu Rotchanasathian also said Miss Bang-on's conduct in the meeting was not in line with the meeting regulations.

"I'm not a lawyer, but this may not be right," he said and added that by allowing the meeting to continue under the new chairmanship it might set a bad precedent for future meetings.

Mr Bunchu said he did not care what effects the adjournment might have on the election of the House Speaker, but since the order for adjournment had already been made it should have been respected.

Mr Buntheng said he did not see any possible damage in ordering the adjournment of the House meeting yesterday.

He added that his action was not a dirty political trick to create disorder.

He said that it was against tradition for the Lower House to convene right after the Royal ceremony to open Parliament.

UDP deputy secretary general Phinit Chansurin said the appointment of House Speaker and his deputies was a very important issue and all the parties should have their say in the matter instead of only the major parties expected to be in the coalition government.

Prachakon Thai Party leader Samak Sunthorawet said before the opening of Parliament that he did not agree with the procedure of electing the House Speaker and deputies before the appointment of the prime minister.

Mr Samak said the prime minister should be named first so he could form his Cabinet and then the House Speaker and his deputies could be elected.

"It happened before that the House Speaker had turned to side with the opposition. I do not know who is behind today's move and why it has to be done today," said Mr Samak.

Newly-elected House Speaker Chuan Likphai said Mr Buntheng's move had been anticipated by the Democrat Party so countermoves had been worked out to foil his tricks.

But he admitted that he was "not too happy to get elected in such a fashion."

HAN ON QUALIFICATIONS FOR INTERIOR PORTFOLIO

BK050305 Bangkok BANGKOK POST in English 5 Aug 86 p 1

[Text] Democrat Party deputy leader Gen Han Linanon has received some military support to take up the Interior portfolio.

Party sources said Gen Han had been convinced by a powerful Army figure to take over as interior minister, a post for which permanent secretary Phisan Munlasatsathon has also been tipped.

Gen Han said he had offered his services for the post and was confident his experience in maintaining peace in the South would be of use.

"The person who will become interior minister should have a good knowledge of the people's problems. I'm confident that I can handle their problems because I used to do it successfully in the South," said the former Fourth Army commander.

Gen Han, the architect of the "Peaceful South" project, said he did not expect any problem in the present efforts to form a coalition government. He expected Gen Prem Tinsulanon to have a say in any problem which may arise during the process.

The Democrats, he said, expected a quota of more than five ministries, with Chat Thai and the Social Action Party getting two each.

Gen Prem was likely to get the Finance, Defence and Prime Minister's Office, said Gen Han, who expected the formation of the Cabinet to be completed in a week.

TRADE OFFICIAL VIEWS NEW MULTIFIBER ARRANGEMENT

BK050209 Bangkok THE NATION in English 5 Aug 86 pp 17, 18

[Excerpt] The new five-year multifibre arrangement (MFA) gives Thai textile exports security, a senior Commerce Ministry official said yesterday, despite its stricter and controversial provisions.

Oranut Osathanon, director general of the Department of Foreign Trade, said the MFA would protect Thai exports from competition from Hong Kong, South Korea, Taiwan or China -- competition that Thailand would not be able to withstand under a system of free trade.

Moreover, she said, the signing of the MFA would reduce the chances of the Jenkins Bill -- which would limit textile imports into the United States -- receiving enough Congressional votes tomorrow to override the U.S. president's veto.

The stricter provisions, particularly the coverage of new fibres such as ramie, linen and silk blends, which have led some countries such as India and China to consider whether they should refuse to sign the MFA, will not adversely affect Thailand, she said, because Thailand exports very little of these textiles.

Fifty-four countries signed the MFA on August 1, following ten days of final negotiations. They agreed to include the new fibres at American insistence because of increased imports into the United States. Oranut said the signatories agreed because of the threat of the Jenkins Bill, officially called the Textile and Apparel Trade Enforcement Bill. [passage omitted]

RADIO REPORTS 'EXCERPTS' OF GORBACHEV SPEECH

BK010558 Hanoi Domestic Service in Vietnamese 1430 GMT 30 Jul 86

[Text] On 28 July, in Vladivostok in the Soviet Far East, speaking at a ceremony to present the Order of Lenin to this city, Comrade Gorbachev, general secretary of the CPSU Central Committee, dealt with many important issues concerning the situation in the Soviet Union as well as various international issues. We now present to you excerpts [trichs] from the major contents of Comrade Gorbachev's address.

Expressing his views at the order presentation ceremony, Comrade Gorbachev discussed the domestic situation since the 27th CPSU Congress. He clearly pointed out the positive changes that have begun to take place in the economy; the greater dynamism of various economic processes; the enhanced tempo of production development and labor productivity; the improved performance of the machine-building sector, of the fuel-energy, agricultural, and industrial complexes, of the ferrous metal industry, and of a number of other sectors; and the better fulfillment of social tasks. Comrade Gorbachev called on all people to guard against complacency. He pointed out that implementation of the most important economic, social, and organizational measures began only recently.

Comrade Gorbachev dealt in detail with questions of economic development in the Soviet Far East and set forth the task of turning this region into a highly developed national economic complex. He considered a fuller use of the ocean resources and the abundant mineral resources of the coastal region and the acceleration of the development of the Far Eastern region's fuel-energy complex to be the most important trends of economic activities. He clearly pinpointed the need to employ the Far Eastern region's potentials to promote economic cooperation with the Asian and Pacific countries.

Comrade Gorbachev devoted a noticeable part of his address to various international issues. He said: A perception of the necessity of peace for all people is strongly permeating the consciousness of nations, even in those places where governments still continue to regard weapons and war as a political means. This is because, for everyone, nuclear war will not be a clash between two blocks or two opposing forces but will lead to a global catastrophe, and human civilization will be threatened with annihilation.

Comrade Gorbachev clearly stated: The Soviet initiatives aimed at promoting nuclear disarmament, substantially reducing conventional weapons and armed forces, exercising control, and achieving a healthier international atmosphere have won the support of the countries in the socialist community and the developing nations. Large circles of social activists and even representatives of realistic-minded Western business circles have paid serious heed to these initiatives. Meanwhile, in many capitalist countries, forces that are blindly hostile to socialism and enrich themselves by waging war continue to reign supreme. The U.S. ruling circles and some of their allies have sought to portray the Soviet initiatives as more propaganda ploys or as beneficial only to the Soviet Union.

Comrade Gorbachev went on to stress the importance and role of the October Revolution and of socialist revolutions in various countries of the Asia-Pacific region. Socialism is a factor inseparable from the major and difficult changes in this region. As a result of the success of the great Chinese revolution and after a new social regime had been firmly established in Mongolia, in Korea -- whose people have clearly shown an extraordinarily dauntless will in the struggle for their motherland's socialist future-- and thereafter in Vietnam and Laos, socialism has occupied strong positions in Asia.

However, it is also in Asia that socialism has run up against the fiercest and most cynical resistance. Vietnam is the most shining example of this. Vietnam's heroic experience and the lessons of its victories over imperialism have once again accentuated the invincible strength of the conceptions of freedom and socialism.

However, we also note many other things in Asia and Oceania. There, the dignity of nations is outraged by colonialism, the consequences of poverty, ignorance, and backwardness, and, together with them, deeply seated prejudices are still maintained to foment mistrust and hatred among people of different nationalities, including those living together within a nation. Imperialism has taken advantage of the difficulties and vestiges of the past to provoke regional conflicts and massacres among different ethnic and religious groups and cause political instability.

Referring to the Soviet stand on establishing new, equitable relations in Asia and the Pacific, Comrade Gorbachev said:

The Soviet Union is also an Asia-Pacific country. The complex issues of this large region closely concern the Soviet Union. The Soviet Union is directly involved in these issues. This also decides the calculated and calibrated viewpoint toward this large part of the world where there are so many different countries and nations. And our way of raising the issues concerning this region is based on the recognition and understanding of the outstanding realities here. At the same time, our interests consist of neither the ambition to have certain prerogatives or special positions, nor the selfish bid to consolidate our own security at the harm of others, nor the seeking of benefits detrimental to others. We seek interests in the pooling of efforts and in cooperating on the basis of total respect for the right of each nation to live according to its own choice and to independently settle its own problems under peaceful conditions.

We adopt the stand to jointly establish new, equitable relations in Asia and the Pacific. It is necessary to admit that the process of militarization that increases the danger of war in this region of the world is starting off at a dangerous speed. The Pacific is being turned into a zone of military and political confrontation; and this is the very cause for the nations living here feeling more and more worry with each passing day. This also makes us worry in all fields, including the security aspect of the Asian part of our country.

In the Soviet Union's foreign policy, the Asia-Pacific region is an integral part of the general line of the CPSU for its international activities, which was charted at the April 1985 party Central Committee plenum and the 27th Party Congress. Nevertheless, a line is not a formula that can be applied under all circumstances. More correctly, it consists of principles and methods based on experience. Proceeding from this, we can visualize what the process of ensuring international security and coordinating actions for peace in this vast region would be like.

First, implementing the principled line of the 27th Party Congress, the Soviet Union will strive to strengthen its relations with all countries in this region without any exception. We will strive to consolidate friendship and multifaceted relations with the MPR, the DPRK, the SRV, the LPDR, and the PRK. We consider relations built on the principles of equality and solidarity with our friends an integral part of the common system of security in Asia and the Pacific. For instance, together with the leadership of the MPR, we are now looking into the question of withdrawing a considerable part of the Soviet forces from Mongolia.

Speaking in a city close to the PRC, I want to refer to the main point of our relationship with that country. This relationship is of special importance owing to a series of factors. First, it is because we are neighbors. We share the longest land border in the world; and therefore, we as well as our children will have to live next to each other forever. However, things do not stop there naturally. History has placed on the shoulders of the Soviet and Chinese peoples a very important mission. In recent years, marked improvements have been made in our relationship. I want to affirm that the Soviet Union is ready, at any time and at any level, to discuss in the most serious manner with China the problems concerning supplemental measures aimed at creating an atmosphere of good neighborliness. We hope that in a not distant future, the border separating -- I only want it to be a border joining -- us will become a border of peace and friendship.

In relations with Japan, there are signs of a change for the better; and we hope that such a change will take place.

We are clearly aware that the United States is a big country in the Pacific. Obviously, without the United States and its participation, it would be impossible to resolve the issue of security and cooperation in the Pacific region in a way acceptable to all countries in this region. It is regrettable that until now, Washington has yet to show its readiness regarding this issue; and it has not even considered serious talks on the subject of the Pacific. And even if this subject was raised, the United States would steer it toward the shopworn clamor about the Soviet menace and threaten to make war in order to further strengthen this myth.

Everyone understands our views concerning the United States. We support relations of peace, good neighborliness, equality, cooperation, and mutual interest. We have much potential for cooperation both in the Far East and the Pacific region. Touching on the United States, I would like to say more about the most important problem in the relations of the two countries at present -- the problem of stopping the arms race. After the meeting in Geneva, the Soviet Union has made many appropriate proposals for the entire issue of arms reduction and elimination as well as measures to control this process. However, we have heard no concrete response from the U.S. side thus far. In dealing with us, they use their old stand set forth by them before the Geneva conference.

We have proposed, on a long-term basis, the convening of a Pacific conference similar to the Helsinki Conference with the participation of all countries in the Pacific region.

In concluding his important speech, Comrade Gorbachev talked about the Soviet stand on solving regional issues. He said: Regarding Afghanistan, I will mention that later. Now, we will concentrate on Southeast Asia and Cambodia. The Cambodian people have faced heavy losses; their territory, cities, and villages were destroyed several times by U.S. bombing. Cambodia, after much hardship and suffering, has gained the right to choose its own friends and allies. We cannot let Cambodia face tragedy as in the past nor let people in far away capitals -- even the United Nations -- determine the fate and destiny of Cambodia. The Cambodian issue as well as other issues in Southeast Asia depend, in many respects, on the normalization of relations between China and Vietnam. A question that must be determined by governments and leaderships of these two sovereign countries.

In our views, there is no insoluble obstacle for establishing acceptable relations between the Indochinese and ASEAN countries. With their goodwill and without interference from the outside, they can solve their own problems which would also be beneficial to the mutual security of Asia. In this context, not only the dangerous tension in the Korean peninsula can be eliminated, but also the national problem of the entire Korean people can be solved. Stemming from the real interests of Korea, there should be no rational reason for rejecting the serious talks proposed by the DPRK.

Now, regarding the Afghan issue, from the forum of the 27th CPSU Congress we declared that we are ready to withdraw the Soviet troops from Afghanistan in accordance with the proposal made by the Afghan Government. As you comrades are well aware, our party has consistently maintained this principle both in words and in deeds. After evaluating the present situation and exchanging views with the Afghan Government, the Soviet leadership has adopted a decision -- the contents of which, I am officially announcing today -- that by the end of 1986 the Soviet Union will withdraw from Afghanistan six regiments of Soviet troops -- one tank regiment, two engineer regiments, and three artillery regiments together with their arms and equipment. These military units will be moved back to their former bases in the Soviet Union. All who follow this issue will recognize this development. However, those who encourage and provide money for the undeclared war against Afghanistan and carry out this war by orders from their own country should realize that if the interference to oppose the Democratic Republic of Afghanistan continues, the Soviet Union will not abandon this friendly neighbor in its misfortune. The international solidarity between the Soviet and Afghan peoples as well as the Soviet interests and security are forces that totally oppose this interference.

The Soviet nation calls on all Asian and Pacific countries to strengthen their cooperation for peace and security. All those who wish for such achievements or hope for a better and more beautiful future for their nations will find us to be goodwill negotiators and sincere friends.

RADIO CITES NHAN DAN EDITORIAL ON GORBACHEV SPEECH

OW011231 Hanoi Domestic Service in Vietnamese 1100 GMT 30 Jul 86

[30 July NHAN DAN Editorial: "A Noble Example in Striving for the Cause of International Peace, Security, and Cooperation"]

[Text] Comrade Gorbachev, general secretary of the CPSU, made an extremely important speech on 28 July 1986 in Vladivostok on the Pacific coast, which has evoked the biggest repercussions in the region and the entire world. This speech reflects the Soviet Union's just stand and noble sense of responsibility regarding urgent international issues.

In the continuing tense international situation created by U.S. imperialism, Comrade Gorbachev once again appealed for checking the arms race, ending the nuclear madness, destroying nuclear weapons, and making unremitting efforts to seek political solutions to regional conflicts. These are major issues now before mankind, urgent matters of life and death for Europe, Africa, America, and Asia.

The ugly U.S.-led imperialist forces have been striving to counterattack the revolutionary forces in the most drastic manner. U.S. imperialism has publicly declared its anti-socialist crusade and frenziedly engaged in a nuclear arms race on earth. It is striving to militarize outer space and attempting to use its expeditionary corps to restart the regional war against movements for national liberation and independence, thus causing unprecedented tension in the history of international relations.

The great successes in perfecting socialism and the goodwill activities of the Soviet Union and the socialist community aimed at repelling the danger of a nuclear war for the sake of a lasting peace and man's survival, have proved the great role, noble example, and decisive impact of the Soviet Union and other socialist countries in the historical confrontation between the world's sociopolitical systems and in the struggle between peace and war and between revolution and counterrevolution.

In his speech in Vladivostok, Comrade Gorbachev put forward his clear view and important peace initiatives for the Asia-Pacific region, including such big countries as the Soviet Union, the United States, India, China, Japan, Vietnam, Mexico, and Indonesia.

The Asia-Pacific region, where the bloodiest and longest wars and the most profound changes have taken place over the past more than four decades now, has remained an area of the toughest struggle. Not being reconciled to defeat, the United States, imperialism, and other reactionary forces are now coordinating their efforts to intensify their military strength in this region.

To realize its neoglobalism U.S. imperialism has put forward its extremely reactionary doctrine for Asia and the Pacific, with the aim of maintaining its imperialist position, developing hegemonism, and impeding and opposing revolutionary movements and the ongoing new changes in this important, increasingly important, region.

We are deeply touched by Comrade Gorbachev's high appraisal of the Vietnamese people's victorious struggle against imperialism in this region. This once again displayed the invincible strength of freedom and socialist ideology.

Opposed to the reactionary strategy, Comrade Gorbachev, in his speech in Vladivostok, once again clearly demonstrated the Soviet Union's policy, propositions, and peace initiatives for the Asia-Pacific region. This embodies a principled stand on the peaceful coexistence of countries with different social systems as well as the Leninist foreign policy adopted by the 27th CPSU Congress.

Our people warmly welcome and fully support Comrade Gorbachev's 28 July statement and the Soviet Union's correct position and series of important new proposals for establishing new fair relations and creating an atmosphere of peace and stability in the Asia-Pacific region, in response to the aspirations and interests of various nations in the region.

After reaching agreement with Afghanistan, the Soviet Union announced a partial withdrawal of troops from that country, thus clearly reflecting, through concrete deeds, its goodwill for peace and its constructive attitude. As everyone knows, the U.S. imperialists and reactionaries pursue an international terrorist policy toward other nations which have chosen the path of independence and are waging an undeclared war against Afghanistan in an attempt to dominate the world and achieve social revanchism. Such acts violate international law and cause the world situation to become more strained and dangerous.

With the Soviet Union's valuable and generous assistance, the Afghan revolution has continued to develop and scored certain economic achievements. The social foundation of the people's revolutionary administration has been increasingly expanded and consolidated, thus creating conditions for the Soviet Union to partially withdraw its troops and creating a favorable atmosphere for reaching a political solution. However, if interference in and opposition to the Democratic Republic of Afghanistan continue, then the Soviet Union will resolutely help the Afghan people defend their revolutionary gains.

Comrade Gorbachev also expressed his views on the situation in Southeast Asia and Cambodia as well as on the Soviet Union's relations with our country and with the Indochinese and other countries in the region, in the hope of establishing relationships beneficial to the common security in Southeast Asia and Asia. Vietnam has also repeatedly expressed its good will and sense of responsibility in this regard.

In the current complicated situation in the Asia-Pacific region, where peoples desire to live in an atmosphere of peace, stability, good neighborliness, and friendship, Vietnam, the Soviet Union, and other fraternal socialist countries have repeatedly reiterated their stance for maintaining and promoting political dialogues and continuing to seek possibilities for limiting arms, improving the international situation, and promoting constructive cooperation among various countries.

We have also repeatedly pointed out that our people, as always, cherish the traditional friendship between the peoples of Vietnam and China. The responsibility for the worsening relations between the two countries and the continuing tension along the Vietnamese-Chinese border rests completely with China. If China genuinely and sincerely wants peace and better relations with its neighboring countries, it should immediately give up its policy of hostility toward Vietnam and the other Indochinese countries and sit down with Vietnam to discuss and settle the outstanding problems in their bilateral relations, in order, first of all, to stabilize the situation along the common border and create favorable conditions for the normalization of relations between the two countries, thereby contributing to turning Southeast Asia and Asia into a region of peace, stability, and cooperation.

Firmly allying themselves with the fraternal peoples of Laos and Cambodia and closely uniting and cooperating in all fields with the Soviet Union and other socialist countries, our people are determined to positively contribute to the common struggle for the consolidation of peace and security and the promotion of mutual understanding and cooperation among various nations.

QUAN DOI NHAN DAN

BK021141 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Aug 86

[QUAN DOI NHAN DAN 31 July article: "Just Stand, Lofty Responsibility"]

[Text] On 28 July in his extremely important speech in Vladivostok on the shores of the Pacific, Comrade Gorbachev, general secretary of the CPSU, once again expressed the Soviet Union's just stand full of goodwill and a high sense of responsibility toward hot international issues, especially those in Asia and the Pacific. In today's era, there currently arises an imperative demand to stop the arms race, put an end to the danger of a destructive nuclear war, eliminate mass-killing weapons, and persistently seek political solutions to regional conflicts.

It is against this very background that Comrade Gorbachev's vigorous assertion in his Vladivostok speech of the Soviet Union's viewpoints and peace initiatives, which are of global significance and closely related to the entire world as well as to all countries in different regions from Europe to Asia, has proved the Soviet Union to be a firm pillar and a shining example in the struggle against warmongering and aggressive forces and for the defense of lasting peace and the life of people on earth -- the common home of all nations.

Comrade Gorbachev's speech demonstrates the deep concern of the Soviet party, state, and people over Asia and the Pacific where there are many big countries, including the Soviet Union which is directly linked to the complicated and hot issues of this immense region that covers almost half of our planet. Asia and the Pacific are now a region with a dynamic and multiform development on the revolutionary and progressive road. Nevertheless, it is also here that the imperialists and reactionary forces are feverishly launching their counterattacks.

U.S.-led imperialism is turning this region into a place of political and military confrontation and a hostage of a destructive nuclear war. They are also capitalizing on the difficulties and vestiges left behind by the past to create local conflicts. Nurturing great ambitions, the U.S. imperialists have put forth a very dangerous and reactionary Asia-Pacific strategy in an attempt to set up a second front after Western Europe, spearheaded at socialism and the national liberation and independence movements. The dark scheme of the United States is to draw the countries in this region into a joint economic cooperation structure called the Asia-Pacific community under the complete control of the United States while gradually forming a close NATO-type military alliance. According to Washington's calculations, if such a situation could be brought about, the United States would gain military superiority in its global strategy.

It is also worth noting that in order to realize the aforementioned strategic objectives, the U.S. imperialists have cunningly raised a hue and cry about the threat of communist aggression and the danger of Soviet expansion from the Soviet Union, Vietnam, and the DPRK, thus inciting military confrontation and causing instability in each country as well as in each region. For decades now, such U.S. actions as using Pakistan to foster and abet counterrevolutionary forces against Afghanistan, colluding with the Chinese expansionists to oppose Vietnam, using Thailand as a sanctuary for the Khmer reactionary remnants in exile to wage a guerrilla war against the PRK, interfering in the internal affairs of the Philippines, and so forth have provided ample proof to lay bare the United States' odious designs.

Contrary to the reactionary strategy of the United States, the policy and peace initiatives of the Soviet Union toward the Asia-Pacific region are the manifestation of the principled policy adopted at the 27th CPSU Congress; a noble example of peaceful coexistence among nations of different social systems; and a change in the way of thinking toward the question of war and peace, the defense and security of all nations, and international security. From Vladivostok, Comrade Mikhail Gorbachev has put forth a series of new and important Soviet initiatives aimed at building new and equitable relations and an atmosphere of peace and stability beneficial to all countries in Asia and the Pacific, thereby meeting the aspirations and basic interests of the nations in the region.

Contrary to the U.S. policy of military confrontation, the Soviet Union calls on all nations in Asia and the Pacific to cooperate for peace and security. The Soviet Union has proposed the convening of a Pacific conference just like the Helsinki one with the participation of all nations touching the bank of this ocean and is committed to developing its relations with all nations in the region. It has participated in finding solutions to regional issues, such as problems concerning Southeast Asia and Cambodia, Vietnam-China relations, the dangerous tension on the Korean peninsula, the elimination of nuclear weapons, the reduction of activities of naval fleets in the Pacific, as well as reduction of armed forces and conventional arms in Asia and so forth. The Soviet Union has always showed its attitude of goodwill. The fact that the Soviet Union has agreed with the Afghan Government to withdraw six regiments of its troops and their equipment from Afghanistan by the end of 1986 demonstrates the Soviet Union's Leninist foreign policy of peace.

In his statement in Vladivostok, Comrade Gorbachev also dealt with the situation in Southeast Asia, in Vietnam, and relations between Vietnam and the other countries in Indochina and in the region. The Vietnamese people are deeply moved by and proud of the statement by Comrade Gorbachev that Vietnam's heroic experiences and its lessons of victory over imperialism once again demonstrate the invincible strength of the ideology of freedom and socialism. Comrade Gorbachev expressed his hope that Vietnam and China as well as the Indochinese and ASEAN countries will be able to normalize their relations which would be beneficial to the mutual security of Southeast Asia and Asia as a whole.

The Vietnamese people and armed forces warmly welcome and fully support the 28 July statement by Comrade Gorbachev with the aim of consolidating peace and security and promoting broad and equitable relations among the nations of Asia and the Pacific. This statement is a great encouragement to the revolutionary and socialist forces and forces of national independence, democracy, progress, and peace in this largest region of our planet.

Closely uniting with the Soviet Union, the Vietnamese people and armed forces, together with fraternal peoples of Laos and Cambodia, are determined to build Southeast Asia in particular, and Asia and the Pacific in general, into a zone of peace, security, friendship, and cooperation.

VNA CARRIES PHAM VAN DONG TASS INTERVIEW

OWO41600 Hanoi VNA in English 1523 GMT 4 Aug 86

[Text] Hanoi VNA August 4 -- "'Having made great sacrifices in the struggle for national liberation and defence, the Vietnamese people greatly cherish peace, friendship and cooperation with all countries and nations in the world, especially those in Southeast Asia, Asia and the Pacific," said Chairman of the Council of Ministers Pham Van Dong in an interview with a TASS correspondent in Hanoi recently.

Following are the questions and answers at the interview:

Question: In his address at Vladivostok on July 28, C.P.S.U. General Secretary Mikhail Gorbachev presented a major plan for economic, social and cultural development in the Soviet Union's far east region. How do you assess this plan?

Answer: The major plan for economic, social and cultural development in the Soviet Union's far east region is an important part of the strategy adopted by the 27th C.P.S.U. Congress aimed at quickly boosting the Soviet Union's socio-economic development. This integrated and large-scaled programme is to make the Soviet Union's far east region a cluster of highly developed economy in harmony with vigorous social and cultural development. The materialization of this programme will bring into play the great potentialities of this region in the distribution of workforce in the Soviet Union and in international domain, thus contributing to successfully implementing the objectives set out by the 27th CPSU Congress to create a new turning-point in the Soviet Union's socio-economic development.

The Socialist Republic of Vietnam, like the other two Indochinese countries, has striven to accelerate its multifaceted ties with this vast and promising far east region of the Soviet Union.

Question: The Soviet Union has put forward great tasks and goodwill proposals aimed at consolidating peace and security, developing cooperation among countries in Asia and the Pacific, and incorporating this struggle into the general process of establishing an international security system. How does the Government of the Socialist Republic of Vietnam think of this issue and of the proposal for convening a Pacific conference like the form of the Helsinki Conference?

Answer: Over the past 40 years, Asia and the Pacific has been a burning region. The successive and great victories of Asian nations in the struggle for national independence and social progress and the rapid growth of the peace-loving and revolutionary forces with the Soviet Union and other socialist countries as the mainstay have changed the situation in Asia and the Pacific, accelerating the trend toward peaceful coexistence and regional cooperation.

Today Asia and the Pacific remain a burning region due to the policy pursued by the United States and other militarist and imperialist forces of spiralling the arms race, seeking to rally their forces, straining the situation, and turning Asia and the Pacific into a region of political and military confrontation against the peace-loving and progressive forces and jeopardizing the sovereignty of nations.

Completely opposed to such a reactionary line, the Soviet Union and other socialist countries have always persisted in the struggle to make Asia and the Pacific a region of peace, security and cooperation. The new proposals advanced by Comrade Mikhail Gorbachev are a great programme embracing practical and concrete initiatives relating to all major issues in Asia and the Pacific. They demonstrate the Soviet Union's illuminating good will aimed at turning Asia and the Pacific into a region of durable peace; free from nuclear weapons, without confrontation, and of equal cooperation and development.

The efforts to incorporate Asia and the Pacific into the general process of establishing a comprehensive international security system has spelt out all the more clearly the consistent character of the foreign policy of the Soviet Union and shed more light on the correctness and plausibility of these new proposals. The convening of a Helsinki-type Pacific conference with the participation of all countries in the region will mark a very important change of the regional situation in the interests of peace, friendship, cooperation and development of nations in Asia and the Pacific. The Socialist Republic of Vietnam fully supports the Soviet Union's initiatives and will coordinate its actions with the Soviet Union to implement those noble objectives.

Question: In his address, Comrade Mikhail Gorbachev put forward concrete initiatives and proposals aimed at solving the region issues, preventing the deployment of nuclear weapons in Asia and the Pacific, carrying out negotiations with a view to lessening activities of military fleets in the Pacific and basically reducing the armed forces and conventional weapons. What do you think as the essential things of those proposals?

Answer: The essential things of these proposals are peace, security and cooperation which have become a historical trend in Asia and the Pacific, and the world as a whole, and Comrade Mikhail Gorbachev has worked out concrete measures to turn this trend into reality. The Soviet Union's initiatives conform with the aspirations and interests of all nations in Asia and the Pacific and elsewhere in the world. It is right time for all nations in Asia and the Pacific to embark on constructive dialogue aimed at settling all regional issues on the basis of honouring each other's independence and sovereignty, shirking confrontation, limiting and reducing weapons and military activities. This provides the practical basis of ensuring peace and security for nations in Asia and the Pacific and elsewhere in the world, and opening a great possibility to promote cooperation among regional countries to bring about mutual benefits in economy, trade, science and technology.

Question: At the request of the Afghan Government, the Soviet Union has declared its readiness to withdraw home part of its troops now performing their duty in Afghanistan. How do you assess this practical deed of the Soviet Union?

Answer: This is an important decision demonstrating the sincere desire of the Soviet Union and the Democratic Republic of Afghanistan to ease tension in the region. The Soviet Union's declaration to withdraw home part of its troops now performing their duty in Afghanistan is a unilateral and noble deed brimming over with justice and good will. It provides a firm response to the slanderous propaganda by imperialism and other reactionary forces against the Soviet Union and socialism. The concerned parties should give proper appreciation of and appropriate response to this goodwill deed.

The Vietnamese people resolutely condemn the undeclared war launched by imperialism and other reactionary forces against the Democratic Republic of Afghanistan and fully support the principled stand and tireless efforts of the Soviet Union and Afghanistan aimed at promptly solving the Afghan issue through peaceful means, thus contributing to lessening tension in this region.

Question: What is the prospect of making the Southeast Asian situation healthier? How does Vietnam participate in the common struggle for peace in Asia and the Pacific?

Answer: Having made sacrifices in the struggle for national liberation and defence, the Vietnamese people greatly cherish peace, friendship and cooperation with all countries and nations in the world, especially those in Southeast Asia, Asia and the Pacific. The Vietnamese people are striving to turn Southeast Asia into a region of peace, stability and cooperation, thereby contributing to consolidating peace and accelerating equal cooperation in Asia and the Pacific.

Together with Laos and Kampuchea, Vietnam has advanced many well-intentioned proposals aimed at relaxing tension, promoting dialogue between nations in the region, solving the Kampuchean issue, making Southeast Asia a region of peace, friendship and cooperation.

Vietnam has once and again put forth proposals aimed at normalising the bilateral relations between the Socialist Republic of Vietnam and the Peoples's Republic of China on the basis of respect for each other's independence, sovereignty and territorial integrity, building a neighbourly ties between the two countries in conformity with the time-honoured friendship and the interests of the two peoples.

The Vietnamese people are confident that with high sense of responsibility and good will of all nations in the region, the Southeast Asian situation will change for better, a durable peace and equal cooperation will be established and constantly consolidated in this region to meet the earnest desire of all peoples in the region and in the world as a whole.

PEACE COMMITTEE HAILS NEW GORBACHEV INITIATIVE

OW011612 Hanoi VNA in English 1550 GMT 1 Aug 86

[Text] Hanoi VNA August 1 -- "The Vietnamese people fully support the peace initiative put forward by CPSU General Secretary Mikhail Gorbachev in Vladivostok on July 28," says the Vietnam Peace Committee in a statement issued here today.

After recalling recent peace initiatives and proposals of the Soviet Union, the statement says:

"The only way to solve issues concerning Asia and the Pacific and the world as a whole is to embark on dialogue in the spirit of mutual understanding and trust, respect for each other's independence, sovereignty and interests, and cooperation with a view to ensuring peace, security and development."

The statement condemns the U.S.-led imperialism for permanently straining the world situation and worsening relations among countries, accelerating the arms race, preparing for a nuclear war, and seeking to maintain its positions in the world.

The Soviet Union's new peace initiative spells out the high cause of responsibility toward humankind. The Soviet Union has always set bright example for other countries when the world people confront with an important juncture of history. [sentence as received]

The statement says that Mikhail Gorbachev's views relating to Southeast Asia and Kampuchea and to the relations between the three Indochinese countries and other Southeast Asian countries with the hope of establishing ties conducive to peace and security in the region and Asia as a whole have fully conformed to the Vietnamese people's desire and goodwill.

The Vietnamese people firmly believe that the time-honoured friendly ties between the peoples of Vietnam and China will be surely restored, the statement says. It further notes that, together with the fraternal peoples of Laos and Kampuchea, the Vietnamese people are confident that the Indochinese actions will overcome all difficulties and obstacles to establish peaceful, friendly, cooperative and neighbourly relations with ASEAN countries in the interests of peace, security and development of Southeast Asia.

AUSTRALIAMINISTER REACTS TO U.S. WHEAT SALE DECISION

BK020802 Melbourne Overseas Service in English 0430 GMT 2 Aug 86

[Excerpts] Australia says that it is disappointed that America has ignored the protest of its ally and decided to sell subsidized wheat to the Soviet Union. News of the sale came as the Australian all-party delegation was preparing to resume its lobbying of American officials in a bid to halt the sales to the Soviet Union and China.

A Radio Australia correspondent in Washington, Jim Middleton, reports on the American decision: [Begin Middleton recording] The United States is going to use up to \$300 million [currency not further specified] to subsidize the Soviet sales, and that will further depress the world price of wheat. However, at a news conference, the American agriculture secretary, Mr Lyng, denied that the President's decision would hurt Australia. [passage omitted quoting Lyng] But, the minister for primary industry, Mr Kerin, who is in Washington leading the all-party wheat delegation, admitted that Australian farmers would obviously suffer as a result.

[Kerin] Australia is disappointed by the decision of the Reagan administration to extend their agricultural export subsidies. The effect of this decision will be to put more pressure on the world wheat price, and it is a very tough move.

[Middleton] The opposition's primary industry spokesman, Mr Ralph Hunt, described the decision as better than either of the conditional subsidy measures and said it was obvious Australia's representation had been taken into account. [end recording]

The Australian delegation is to stay on in Washington till next week to try to convince the Americans to go no further with their wheat subsidies.

Meanwhile, wheat farmers in Australia are planning a big demonstration outside the American Embassy in Canberra to protest against the wheat sale. The executive director of the National Farmers Federation, Mr Andrew Robb, says wheat growers will lose about \$20 a tonne because of the American deal. He says the eventual cost to industry and the Australian economy will be measured in hundreds of millions of dollars. Mr Robb, who will be part of a delegation of wheat grower representatives traveling to America next month, says the trip will take on added importance because of the sale.

Farmers Protest to U.S. Envoy

BK040656 Melbourne Overseas Service in English 0430 GMT 4 Aug 86

[Text] A farmers delegation has been unsuccessful in persuading the American ambassador in Canberra that the United States should reverse plans to sell subsidized wheat to the Soviet Union. About 50 grain growers marched from Parliament House to the American Embassy to present the Ambassador, Mr Lane, with a letter of protest.

The leader of the demonstration, president of the Grain Council of Australia, Mr (Charles), said his meeting with Mr Lane was friendly but disappointing. He said Mr Lane did not accept that the American sales were causing hardships to Australian farmers. Mr (Charles) says that attitude could ruin Australian-American relations. [Begin (Charles) recording] We have always looked upon America as a nation that we can trust, a nation that we can look to for support when we are in need. They had a 2-way trade arrangement with us that has been very satisfactory, and their action is putting all this at risk. [end recording]

HAWKE ON SOUTH AFRICAN SANCTIONS; LEAVES FOR UK

BK010940 Melbourne Overseas Service in English 0830 GMT 1 Aug 86

[Text] The prime minister, Mr Hawke, leaves Australia for London today to attend the meeting of seven Commonwealth heads of government on the future of sanctions against South Africa. Mr Hawke says the British prime minister, Mrs Thatcher, would not be totally insensitive to the rest of the Commonwealth on the sanctions issue. However, Mrs. Thatcher's stand opposing sanctions against South Africa is being fully endorsed by the British Cabinet. Mr Hawke says he is attending the meeting in London with the idea of achieving some progress on the South African issue.

[Begin Hawke recording] I am going there to be an involved participant in an extraordinarily important meeting and I would want to see an outcome which certainly involves the imposition of an effective increase in sanctions. If the position still is that the regime in South Africa that has indicated no change in its -- like a preparedness to negotiate -- I would prefer a situation without sanctions because sanctions have no merit intrinsically in themselves. They are a means to an end to get to negotiations. [end recording]

MINISTER SAYS URANIUM BAN ON FRANCE TO REMAIN

BK040917 Melbourne Overseas Service in English 0830 GMT 4 Aug 86

[Text] The Office of the Minister for Resources, Senator Evans, has dismissed reports that the government was planning to lift the ban on uranium sales to France as pure speculation. Earlier, the office would not deny the accuracy of a report which appeared in the newspaper THE CANBERRA TIMES which said the decision had been taken because of the cost the ban was having on export revenue. Uranium sales to France was suspended 3 years ago in protest against continuing French nuclear weapons test at Mururoa Atoll in the South Pacific.

TALKS ON GROUND STATION FOR SRV IN FINAL STAGES

BK050940 Melbourne Overseas Service in English 0830 GMT 5 Aug 86

[Text] Australia will build a satellite ground station on the outskirts of Ho Chi Minh City to improve telecommunications with Vietnam. The Oversea Telecommunications Commission, OTC, is in the final stages of negotiating with Vietnam's communications authority to build the station at a cost of about \$1 million.

The announcement was made by the minister for communications, Mr Michael Duffy, and the acting minister for foreign affairs, Senator Gareth Evans. Mr Duffy said the agreement would be the first of its kind between Vietnam and a Western country, and it would be made on an attractive commercial basis which was consistent with federal government's policy of improving bilateral relations. He said the satellite earth station would be ready for service some time next year and would supply world standard telephone, telex, and datalinks to Vietnam. While the station is being constructed, OTC has introduced a direct high-frequency radio telephone link with Vietnam.

NEW ZEALANDNEW ZEALAND TO ADOPT SOUTH AFRICAN SANCTIONS

HK051014 Hong Kong AFP in English 1001 GMT 5 Aug 86

[Text] Wellington, Aug 5 (AFP) -- New Zealand will adopt sanctions against South Africa proposed by the Commonwealth, Prime Minister David Lange said Tuesday.

Mr. Lange, who had earlier said he would seek cabinet authority to impose sanctions as soon as details of the proposals had been studied, said that the government was expected to take a decision to impose sanctions in two weeks.

The opposition, however, said it had little enthusiasm for such action.

Opposition National Party foreign affairs spokesman Sir Robert Muldoon said Commonwealth moves towards sanctions involved "a considerable element of hypocrisy," since some Commonwealth members were "equally deserving of condemnation."

His party thought that sanctions would have little effect on South Africa, he added.

"If they were not effective against Rhodesia, they certainly won't be effective against South Africa which has much more opportunity to use its own raw materials, use its own industry, import from other countries outside the Commonwealth and other black African countries for that matter."

He said however that the National Party "would adopt the sanction policy simply as a member of the Commonwealth but not with any enthusiasm."

Six of seven Commonwealth leaders meeting in London Monday agreed to adopt measures including a ban on flights to South Africa and imports of South African agricultural products plus uranium, coal, iron, and steel.

Britain agreed only to a voluntary ban on new investment and promotion of tourism, although it would accept the ban on coal, iron and steel imports if such a decision were taken by the European Economic Community. (EEC).

MOKHTAR SAYS GORBACHEV STATEMENT 'SIGNIFICANT'

BK011329 Jakarta Domestic Service in Indonesian 1200 GMT 1 Aug 86

[Text] Foreign Minister Mokhtar Kusumaastmaja, in his weekly press conference in Jakarta this morning, said that Soviet leader Gorbachev's 28 July statement in Vladivostok is significant for countries in the Asia-Pacific region. He noted that the statement by the Soviet leader suggested new proposals are being considered because the Asia-Pacific countries are important and have their own identities. In his statement, Gorbachev indicated that he is in complete control of Soviet policies without having to consult the military.

According to Mokhtar, Soviet relations with Asia-Pacific countries are facing difficulties due to the country's actions in Afghanistan, northwest Asia, and its support for Vietnam regarding the Cambodian issue. Minister Mokhtar is of the opinion that ASEAN should take an interest in the statement by Gorbachev. Minister Mokhtar expressed the hope that the Soviet leader would focus his attention on ASEAN's interest in solving the Cambodian issue and not on the PRC's and Vietnam's interests.

PHILIPPINE PRESIDENT TO VISIT 24-26 AUGUST

BK020847 Jakarta International Service in English 0800 GMT 2 Aug 86

[Text] The Philippines' president, Corazon Aquino, is scheduled to visit Indonesia from 24-26 August. Indonesian Foreign Minister Mokhtar Kusumaatmaja yesterday in Jakarta confirmed the planned state visit of the new president of the Philippines, which is also a member of the ASEAN.

MALAYSIAMAHATHIR COMMENTS ON PAS' ELECTION DEFEAT

BK041339 Kuala Lumpur Domestic Service in English 1130 GMT 4 Aug 86

[Text] Prime Minister Datuk Sri Dr Mahathir Mohamed says the defeat suffered by PAS [Pan Malaysian Islamic Party] in the general election showed that the people could not accept PAS' actions. He said the people are disappointed with the PAS leaders who seem to have no guidance. Datuk Sri Dr Mahathir said this after the Barisan Nasional secured a two-third majority in the Dewan Rakyat [House of Representatives].

Datuk Sri Dr Mahathir held a press conference at the press center set up by the BN [Barisan Nasional] at the Putra World Trade Center and Emporium and the local media [word indistinct]. He said that PAS had become arrogant because the various ceramahs [lectures] they organized before the election campaign had drawn large crowds. This gave them the feeling of faith to do so as they please. Datuk Sri Dr Mahathir said the people wanted stability and peace. PAS election strategy showed that the party is still not matured. To a question, Datuk Sri Mahathir said that the party's exploitation of religion had led to party's defeat as the people were aware that PAS only thought of securing more seats and not for the sake of Islam.

COMMENTARY ON NATIONAL FRONT'S LANDSLIDE VICTORY

BK041113 Kuala Lumpur International Service in English 0800 GMT 4 Aug 86

[Station commentary]

[Text] The Malaysian general election is over and the ruling party, the Barisan Nasional or National Front, had won a sweeping victory. It reflects credibly on the government and the people that no untoward event whatsoever was reported. To the prime minister, Dr Mahathir Mohamed, the election results constitute a great victory, not only politically but from the full (?view) of democratic leadership. The country can now get down to the challenging task of achieving economic growth in an environment of a severe world recession and depressed prices for essential export commodities. The results prove that the Malaysian people are not affected by extremist groups that while promising much will not be able to achieve the productivity and prosperity.

As the main thrust of Dr Mahathir Mohamed's campaign was a call for stability and continuity of policies, the people have demonstrated that they fully understand the need to rally round an effective leader and have given the prime minister and his team of ministers a clear mandate for a further term of 5 years. The National Front has thus added a feather to its cap and the fears and misgivings that have been propagated by its enemies did not make any impact on the electorate. The two principle opposition parties were given as much opportunity to campaign and persuade the people to work with them. In the event, although the Democratic Action and PAS [Pan Malaysian Islamic Party] won some seats, they failed with their much-publicized attempt to force the National Front from obtaining a two-thirds majority. Of course, any ruling party in a parliamentary democracy needs to have only a bare majority to work effectively. But in Malaysia, the constitution stipulates a two-thirds majority vote for any proposed amendment to the constitution. Somehow, the National Front has regarded that the goal is important and this also reflects the prime minister, Dr Mahathir's, drive for high standards.

More than anything else, the landslide victory for the National Front must be viewed as a very reassuring development for Malaysia's friends in the international community. All investors will now find that in addition to the promise of a continued political stability, there will also be more incentives for launching enterprises in Malaysia. The country has an excellent track record of economic growth and of cordial treatment of foreign capital with a skilled work force and achievement in the transfer of technology. There can be little doubt that Malaysia will redouble its efforts to increase its industrial and agricultural productivity.

In a few days' time, in accordance with Malaysian Constitutional practice, the prime minister will announce his new cabinet. At a later date, the new enlarged parliament consisting of 177 members of the lower house and the 58 in the upper house will meet to hear the head of state deliver the government's statement of policy. The Malaysian people will not rest on their laurels but under the leadership of their prime minister they will strive to achieve even more for their beloved Malaysia.

COMMENTARY VIEWS ELECTIONS, APARTHEID STANCE

BK050919 Kuala Lumpur International Service in English 0800 GMT 5 Aug 86

[Station commentary]

[Text] The reelection of the National Front coalition with a majority exceeding two-thirds of the total number of seats in the Malaysian House of Parliament has already had a remarkable impact on the Malaysian economy. After several weeks of sluggish condition, the Kuala Lumpur Stock Exchange was a scene of brisk activity and animated trading. There is every indication that this ripple effect will spread to other sectors of the Malaysian economy. The breeze moves off uncertain areas which are being overtaken by the feeling that stability has been assured with the decisive will of the people. That will has been demonstrated in their vote for a government that represents moderations and a drive for development in all spheres.

The National Front tradition of arriving at major policy decisions on the basis of consensus will continue and the prime minister, Dr Mahathir Mohamed, has confirmed that there will no major changes in the policies of the government. The factor of continuity will be also be a source of reassurance for all sections of the Malaysian people and for investors from abroad.

The Malaysian political system is not a monolithic one that discourages other political parties from flourishing. The Democratic Action Party, for example, campaigned with a slogan "No more two-thirds majority for the National Front." It managed to secure 24 seats and it will enjoy all the traditional privileges of an opposition group elected by its supporters. The PAS [Pan Malaysian Islamic Party] fared badly but it has only itself to blame for a poor show. Its categorical statement about the creation of an Islamic state in Malaysia give rise to much misgiving and anxiety. The Malaysian people have always voted for moderate and sensible political leaders rather than for those who advocate wildly impossible goals and ideals.

It is significant that the first statement relating to external affairs made by Dr Mahathir concerned the mini Commonwealth summit now taking place in London. The prime minister's position on apartheid has been clear and consistent. There is no other way to dismantle the hateful apartheid policy than by introducing economic sanctions against the Republic of South Korea [as heard]. This issue has dragged on for much too long and while the British and the Americans engage in all manner of talks, discussions, and research, the carnage continues in South Africa.

The British proposal to introduce a so-called limited sanction is hardly calculated to have a realistic impact on the racist regime. Much has been made about the adverse effect of sanctions on black African employment and the general welfare of the nonwhite people. However, the black African leaders have themselves stated that this been grossly exaggerated. It would appear, therefore, that the opposition to sanctions is motivated by fears of loss of trading opportunities and profits. Malaysia stands alongside not only the majority of the Commonwealth members that have called for the immediate imposition of economic sanctions but also the Nonaligned Movement that represents a large segment of the international community.

SINGAPORE

SIHANOUK HOLDS TALKS WITH FOREIGN MINISTER

BK041144 Singapore Domestic Service in English 1100 GMT 4 Aug 86

[Text] The president of Democratic Kampuchea, Prince Norodom Sihanouk, today held talks with the foreign minister, Mr S. Dhanabalan. Mr Dhanabalan told reporters that in the meeting they discussed the Democratic Kampuchean Government's 8-point peace plan for Cambodia. It was agreed that there were important demands such as the disarming of all factions and the establishment of an international peace keeping force which ought to be added to the proposal. Prince Sihanouk said that he would try to get the Khmer Rouge to agree to these points so that the proposal will be more acceptable to the international community.

Later, the prince and Princess Monique paid a courtesy call on the president and first lady at the Istana [palace]. Prince Sihanouk is in Singapore for a 4-day visit as a personal guest of President Wee Kim Wee. This evening he will attend a private dinner hosted by the senior minister in the Prime Minister's Office, Mr S. Rajarathnam.

NUCLEAR WEAPONS ALLEGEDLY STORED IN U.S. BASES

HK050403 Manila PHILIPPINE DAILY INQUIRER in English 3 Aug 86 pp 1, 6

[By Glendu M. Gloria]

[Text] There are "at least 54 tactical nuclear weapons stored in U.S. Military facilities" in the Philippines, according to a paper about Philippine views on the U.S. bases here.

The paper, prepared by the Third World Movement Against the Exploitation of Women, the International Studies of the Philippines and the University of the Philippines, cited as its source a private U.S. think tank which undertook studies on the American bases here.

The paper quoted retired Rear Admiral Gene La Roque director of the U.S. Center for Defense Information, as saying on June 28, 1983 that the tactical nuclear weapons stored in American facilities in the Philippines serve no urgent purpose "and only make the chances of catastrophic confrontation much greater."

There was no elaboration.

But the paper said Filipino workers in the U.S. bases also apparently suspect that such weapons are being stored in the facilities and have since been demanding "nuclear risk bonus."

The Philippine government, under Ferdinand Marcos, has consistently denied reports that nuclear weapons are stored in the U.S. bases. The American government, however, remained mum on the issue, in accordance with their NCNC (neither-confirm-nor-deny) policy.

But many observers believe that the U.S. authorities have succeeded in sneaking nuclear weapons into their facilities here by virtue of a provision in the RP-U.S. Military Bases Agreement granting the Americans "unhampered use" of such facilities.

Also, it is known that the U.S. Naval Base in Subic, Zambales, is the home port of the nuclear-powered guided missile carrier Sterett.

The paper called on the Constitutional Commission to include in the proposed Constitution a ban on foreign bases in the country.

Some countries like Iran and Cuba have constitutional provisions banning such bases in their country, the study said.

It failed to mention, however, that the Cuban ban, notwithstanding, there is an American base in Guantanamo, Cuba.

The authors said they will present the paper to President Aquino to help her reach "the one and only correct opinion."

"Indeed, we are reaching a point where her (Aquino's) good judgment will be put to a test. What will prevail -- RP or U.S. views?" the authors ask.

PROFESSORS REBUT U.S. EMBASSY LEAFLET ON BASES

HK041414 Quezon City NEW DAY in English 4 Aug 86 pp 6, 15

[Text] /"The State has the inherent right to self-determination, national independence and sovereignty. Subject to existing international agreements, foreign bases, troops, or facilities shall be forbidden in the Philippine National territory nor shall nuclear weapons or parts thereof allowed therein."/ [Slantlines denote italics as published]

With this provision, the Constitutional Commission's Committee on Preamble and Declaration of Principles managed to pass a resolution that seeks to remove the U.S. military bases in the country as soon as the extended agreement covering them expires in 1991.

But the final reckoning is yet to come. Being a mere committee recommendation, the bases provision will still have to pass the Con-Com, in plenum, before it gets integrated into the final draft of the Constitution.

That day of reckoning has been set for the last week of the month.

As that crucial day draws nearer, more and more impassioned debates are held on the property, as well as on the desirability, of adopting the highly controversial provision.

Literature on the bases issue has flourished, too, indicating a strong desire on either camp to sway public opinion to their favor.

Most revealing among all pro-bases materials being circulated nowadays is a six-page mimeographed sheet being distributed by the American Embassy containing mainly rebuttals of the arguments raised by the base oppositors. Titled U.S. VIEWS, the leaflet has caused a stir in the political circle because of its categorical dismissal of almost all issues raised against the bases.

In retaliation, several professors from the University of the Philippines have come out with their own analyses of the bases problem through a 15-page document titled RP VIEWS. The paper responds, point by point, to all the issues raised and answered by U.S. VIEWS.

U.S. VIEWS premises its discussion of the issues on the contention that the bases are useful and important, "not only for U.S. interests, but also for regional security and for the external defense of the Philippines." RP VIEWS, on the other hand, proceeds on the belief that the U.S. military presence is useful and important only to U.S. interests. It alleges that Filipinos are now "awakening" to the dangers posed by the bases.

From such diverse points of view, the two documents proceeded to answer the following questions:

Q: Are these American Bases or Philippine Bases?

US VIEWS: Legally, there are no "American Bases," but rather, American facilities" located within Philippine bases. This is an important legal point, correctly reflecting Philippine ownership and sovereignty over the bases.

RP VIEWS: Notwithstanding the appointment of a Filipino base commander who is serving as chief security guard, and the Philippine flag decorated outside the bases, the U.S. maintains on our territory a state within a state which allows the U.S. to engage in activities which is completely beyond Philippine control. The phrase used is "unhampered use of facilities." Ask the Philippine base commander how much he knows about what actually goes on inside the base, and let's see how much we control them.

Q: Do the American bases in the Philippines create a magnet for nuclear attack?

US: The point at issue here is whether the bases are more likely to attract or deter an attack. The evidence seems to support deterrence. If American military installations around the world are a magnet, they are a very weak one. In the 40 years since the end of WW II no country with U.S. bases and a mutual U.S. defense treaty has been attacked. Countries without such protection, like Afghanistan and Cambodia, are the ones which have been invaded and occupied by foreign powers. Secondly, while American facilities in the Philippines play a very important role in the logistical support of regional U.S. forces and provide security against conventional military threats in Southeast Asia, they are of little significance in a nuclear exchange between the superpowers. In the unlikely event of World War III, the Soviets' highest priority targets will be American missiles based in the United States and aboard submarines under the world's oceans. Nothing at Clark or Subic threatens the Soviet homeland.

RP: The U.S. bases in the Philippines, equipped with nuclear-capable weaponry and strategic communications systems, render the Filipino people vulnerable to massive retaliation in the event of nuclear war and thus threaten the very existence of Filipino people. Because of the size and strategic importance of the bases, it is likely that five-megaton bombs will be dropped on them. What happens if a bomb of this size explodes in a city (like Manila) of four million inhabitants? More than 1.7 million people will die, and 2.8 million will be injured, maimed or incapacitated. (Nuclear War in Europe, Prof. Henry Kendall, Senate Congressional Record, S4926, May 12, 1981).

Q: Is the money paid to the Philippines aid or rent?

U.S.: The text of the Military Bases Agreement states that the bases shall be provided free of rent, "in furtherance of the mutual interest of both countries." Beyond that, the United States pays no "rent" to any of the 13 countries where it has military bases. In the American view, any alliance is based on mutual assistance. In the Philippines, the United States provides economic and military assistance while the Philippine government provides territorial assistance -- the base facilities. All countries allied with the United States are asked to assist with the partnership in appropriate ways. Those which can afford it contribute financially toward the cost of maintaining U.S. forces in their countries -- in the case of Japan, well over \$1,000 million a year.

RP: The United States can offer nothing more than the assurance that its Executive Branch will exert its "best efforts" to obtain from the U.S. Congress, appropriations for security assistance to the Philippines. This is in return for the "rent-free" use of military bases, wherein the U.S. has the full exercise of rights to employ all public utilities, roads and highways, lakes, rivers and streams at par with the Armed Forces of the Philippines... The claim that the United States does not pay rent for bases which are utilized for mutual defense is belied by its 1963 Treaty with Cuba. The States agreed to pay rent for the use of coaling and naval stations, although these were allegedly established to enable the United States to maintain the independence of Cuba and to protect the Cuban people.

Q: What about the social and moral issues associated with the bases -- bars, prostitution, orphans?

US: These are clearly negative factors to be considered in analyzing the costs and benefits of the bases. U.S. military authorities do not condone damaging or disruptive social behavior but such problems are an unfortunate reality near any military base -- not just American bases. Until human nature changes these issues are likely to remain with us, but communities near the bases can count on sincere and continuing American cooperation with local governments and social organizations to alleviate the situation.

RP: The "sex industry" around which the economy of Olongapo and Angeles thrives is built on the law of supply and demand. If there were no demand for "hospitality girls" and prostitution, the supply will stop. Without the quick employment offered, job seekers in the sex strips would stay in their place of origin. As a Lutheran pastor put it, "There will always be an Olongapo as long as the Seventh Fleet plies the Pacific." Base-related prostitution is far worse than local prostitution which is private and small. Because there are thousands of American servicemen at any given time, thousands of Filipino women are lured into the sex industry." Here is a question of mass, transnationalized and institutionalized prostitution.

Q: Could not the Philippines make better use of the land and facilities for its own development objectives?

U.S.: As with any asset, there are always trade-offs that a person, or in this case, a government, must consider in order to decide what use brings the greatest benefit. The economy of the Philippines benefits in several ways from the bases. First, there are the substantial annual economic benefits created by U.S. military spending (some half a million direct and indirect jobs and over one billion dollars in net addition to the economy). Second, U.S. security assistance enables the Philippine government to allocate more of its budget to non-military sectors of the economy, thereby assisting in economic growth. Finally, the bases contribute to regional security, providing the Philippines and its neighbors with a peaceful environment in which to concentrate on economic development. Given the limited size and specialized nature of the U.S. facilities, it is difficult to imagine any realistic commercial alternative which could come close to matching the very large economic benefits presently obtained by the Philippines from the bases.

RP: At present, nowhere else can Americans exploit such a huge workforce for a mere pittance. Filipino workers here are paid for less than the U.S. minimum wage at approximately one seventh of U.S. wage levels. The American bases are a paymaster's dream. Much is often made of the fact that the bases employ at least 40,000 Filipinos, which is less than one per cent of the Philippine non-agricultural labor force, that the bases pump some \$260 million annually into the local economy. As a political analyst, Alejandro Fernandez, said, only a small fraction of American disbursements finds its way into the Philippine economy because most of the appropriations for the bases are actually spent for maintenance and repair which do not entail contract servicing by Filipino firms and most purchases of consumption goods by base personnel are made at tax-free PX commissions. The most-often chased goods by U.S. servicemen are prostitutes and drugs, social problems most acute in the areas around the bases.

Editorial on Con-Com Debate

HK041027 Manila THE MANILA EVENING POST in English 1 Aug 86 p 4

[Editorial: "The Bases Question"]

[Text] The issue of U.S. military facilities in this country has now taken centerstage at the Constitutional Commission [Con-Com] and the debate has spilled out of the hearing rooms to the public.

Apparently, the Con-Com has already been divided between the pros and the antis.

Mr Pelaez, Philippine Ambassador to Washington, had to be recalled to present his views on the matter. Some say he was trotted out by this administration like a prize specimen to endorse the bases.

It is interesting to note that some commentators are saying the Con-Com should not discuss the bases issue until after Mrs Aquino has visited the U.S. Others believe that it is necessary for this issue to be ventilated if only to make Americans know that regardless of the visit or not, Filipinos will exert their national sovereignty especially on something that means their existence as a nation.

Another group, however, insists that Mrs Aquino should use the issue as lever in her discussions with American officials because once the bases are settled, the Americans will revert to form and take Filipinos for granted.

Of all the major problems confronting Philippine-American relations, this is the most crucial and sensitive. Scholars from both countries have practically exhausted all their arguments on the matter. Political analysts have likewise advanced their views, realistic or not. Some even say the issue has been flogged to death.

Like it or not, however, it is here to stay. Involving the relations of nations, the bases question is vital to Philippine national interest. There are national economic considerations in the problem. It simply will not go away.

Whatever the final decision of our national leaders, in the Con-Com or out, this is the best time for Filipinos to take a final stand on the matter. A referendum may even be necessary to determine what the majority of our people feel.

This time let our people speak. It is their lives that are at stake.

Enrile Claims Support for Bases

HK020256 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 2 Aug 86

[Text] There are many Filipinos who support the retention of American bases in the Philippines. Defense Minister Juan Ponce Enrile says this has been gathered from the latest survey conducted by the Ministry of [words indistinct]. However, he did not say when the survey was conducted. Enrile himself supports the retention of the bases, which he says serve to deter Soviet activity in the Pacific region. On the issue that retention of the bases means a loss of Philippine sovereignty, Enrile says the U.S. has military bases in other countries around the world but this does not mean those countries are not free.

OFFICIAL HOPEFUL OF U.S. SUGAR QUOTA RESTORATION

HK040928 THE NEW PHILIPPINES DAILY EXPRESS in English 2 Aug 86 pp 9, 10

[By Rose de la Cruz]

[Text] The Philippines could regain its original share or 350,000 short tons of the U.S. sugar quota as a result of the scheduled state visit to the U.S. by President Aquino this September, Sugar Regulatory Administration (SRA) Chairman Arsenio Yulo said yesterday.

The SRA chairman based his optimism on the country regaining its original share of the U.S. sugar quota on what he described as the "general readiness of American lawmakers to help the Aquino government obtain concessions and other assistance from the U.S. government."

He said all that the Philippines is asking for is the restoration of its original 27-percent share of the U.S. sugar quota, which would mean an additional \$400-million earnings for the Philippines.

At present, the country's share to the U.S. sugar quota is 13 percent or 203,000 tons.

Yulo also disclosed moves of the SRA to sell the assets acquired by the Philippine Sugar Commission (Philsucom), the operation of which will wind up in three years.

The assets to be sold include three sugar refineries, 14 centrals that were financed by the Philippine National Bank (PNB) and nine units of mechanical harvesters.

SRA expects to raise some P2 billion from the sale of the refineries, alone, located in Balayan, Batangas; Kalinog in Iloilo and in Bukidnon.

The refineries have a combined operating capacity of 10,000 piculs a day.

Yulo also back-pedaled on his decision to mothball this year sugar mills owned by the government. He said the matter is still being studied by an inter-agency committee, chaired by the SRA.

FORMER MP REVEALS U.S. CONDITIONS FOR INVESTMENT

HK040425 Manila Far East Broadcasting Company in English 2300 GMT 3 Aug 86

[Text] Former Member of Parliament Rene Espina yesterday [3 August] belied the claims by Aquino government economists that American investments will be coming to the country. Espina, who made a fact-finding trip to the United States, said he was informed by U.S. officials and businessmen that the U.S. Government will help the Aquino government but will not commit any investments until four conditions are met. Espina said the conditions for American investments in the country are: The ratification by the people of the new constitution; establishment of an elected legislature and local government; restructuring of the country's debts with the IMF, the World Bank and creditor banks; and stability in the labor market.

ESF INCREASE ANNOUNCED; WORLD BANK GRANTS LOAN

HK051025 Manila East Broadcasting Company in Tagalog 1000 GMT 5 Aug 86

[Text] An American official has announced that the Philippines will receive additional money for its Economic Support Fund [ESF] from the United States next year. The ESF is payment by the Americans for their military bases in the country. According to Paul (Duster), program economist, the additional ESF money has been agreed on by the U.S. and the Philippines. However, he said he did not know if the money would go into development projects as has been done in the past. Meanwhile, the World Bank is granting the Philippines a loan of \$150 million for its housing programs. The loan is separate from the \$6 million already given for the pag-ibig [housing scheme] fund. Along with this, the World Bank says it would like to see the Aquino government effect reforms in its housing programs.

MANILA BULLETIN VIEWS AQUINO-GALMAN TRIAL

HK040959 Manila MANILA BULLETIN in English 2 Aug 86 p 4

[Editorial: "A Mistrial"]

[Text] From the beginning, sharp minds fashioned the Aquino-Galman story. The elaborate plot to kill Ninoy, the creation of the Agrava board, the hearings, the disappearance of vital witnesses, the opinions of the board, the proceedings at the Sandiganbayan, and the petition for mistrial -- in all these, sharp minds were at work.

Plain folk would say it was a fight between good and evil, and that in fact is what it all boils down to on the moral plane. The Aquino case was mostly moral and that fact shaped the kind of government the country would have in 1986.

Students of the law would argue for or against the mistrial issue and note undoubtedly that it had been quite a time since a mistrial had been declared in this jurisdiction. They would argue on due process and note that it is not merely a day in court but fairness. A great criminal case breeds many such issues and incidents as men try to unravel the truth, even if the truth may just be lying there, for all the world to see.

That may, indeed, be the case. The nation must be prepared for it because when men are free to get at the truth in a court of law, unexpected incidents are bound to happen and unexpected players will be summoned to the stage.

In the event a new trial is called in the Aquino-Galman case, more witnesses than can be imagined might come up to testify for the nature of the environment determines a court proceeding. It is quite possible that a new trial, if called, will be far more dramatic than the proceedings before the Agrava board. As always, it will be for the court to weigh the evidence.

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